

GENERAL PURPOSE STANDING COMMITTEE NO. 1

Thursday, 1 September 2016

Examination of proposed expenditure for the portfolio area

PREMIER, WESTERN SYDNEY

CORRECTED PROOF

The Committee met at 14:00

MEMBERS

Reverend the Hon. F. Nile (Chair)

Mr J. Buckingham

Dr M. Faruqi

The Hon. S. Farlow

The Hon. B. Franklin

The Hon. T. Khan

The Hon. P. Primrose

The Hon. A. Searle

The Hon. P. Sharpe

PRESENT

The Hon. M. Baird, *Premier, and Minister for Western Sydney*

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**

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2016-2017. Before commence, I acknowledge the Gadigal people who are the traditional custodians of this land and I pay my respects to the elders past and present of the Eora nation, and extend that respect to other Aboriginal people present or those who may be joining us today on the internet. I welcome to the hearing the Premier, who has appeared before the Committee in spite of his injury, and his accompanying officials. Today the Committee will examine the proposed expenditure for the portfolio of Premier and Western Sydney. Today's hearing is open to the public and is being broadcast live on the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available.

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

There may be some questions that witnesses could answer only if they had more time or with certain documents at hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Premier, I remind you and the officers who are accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone please turn off their mobile phones or set them to silent for the duration of the hearing.

All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of this Parliament. I declare the proposed expenditure for the portfolios of Premier and Western Sydney open for examination. The questioning of the portfolios of Premier and Western Sydney will run from 2.00 p.m. to 4.40 p.m. Questions will be broken up between Opposition members and crossbench members. As there is no provision for a Minister to make an opening statement before the Committee begins questioning we will begin with questions from Opposition.

BLAIR ROBERT COMLEY, Secretary, Department of Premier and Cabinet, affirmed and examined

The Hon. ADAM SEARLE: Premier, what will you do if the current legal action invalidates the McHugh report in whole or in part? Will you revisit the greyhound racing ban?

Mr MIKE BAIRD: That is a hypothetical and we would have to deal with that if it came into effect.

The Hon. ADAM SEARLE: But a prudent government has to make contingency plans. What is your contingency plan?

Mr MIKE BAIRD: We have passed legislation and taken decisions in relation to the industry and we are working hard on the transition. There is an opportunity for legal challenge, but our expectation is that we will maintain the position we have taken.

The Hon. ADAM SEARLE: You have no contingency plan should the challenge succeed?

Mr MIKE BAIRD: We are getting on with the job of what the majority in the upper House and lower House agreed relating to the greyhound industry.

The Hon. ADAM SEARLE: The report of the Special Commission of Inquiry into the Greyhound Racing Industry in NSW is dated 16 June 2016. Is that the date you received the report?

Mr MIKE BAIRD: You would have seen the Deputy Premier go through that this morning. Obviously the report came in, legal advice was received in relation to it, it went to Cabinet and you saw our response.

The Hon. ADAM SEARLE: Why did you not release the report before announcing your Government's response?

Mr MIKE BAIRD: You heard what the Deputy Premier said about that this morning.

The Hon. ADAM SEARLE: You do not have anything further to add?

Mr MIKE BAIRD: No, he has covered it.

The Hon. ADAM SEARLE: Was there discussion in your office about releasing the report ahead of the Government deciding on its response?

Mr MIKE BAIRD: That was outlined and it was very clear. We wanted to consider the report and we obviously received advice—with the Deputy Premier as the appropriate Minister—relating to when we get it to Cabinet and then obviously make a response.

The Hon. ADAM SEARLE: The report was released on 7 July. Why did you wait until after the Federal election to release it?

Mr MIKE BAIRD: That question was answered by the Deputy Premier. I have just run through that.

The Hon. ADAM SEARLE: Will you confirm the Federal election was a consideration?

Mr MIKE BAIRD: No.

The Hon. ADAM SEARLE: You say it was not at all?

Mr MIKE BAIRD: The Deputy Premier has given you the reasons. The report came in, legal advice was considered, it went to Cabinet and as soon as it went to Cabinet it was released with a response.

The Hon. TREVOR KHAN: You should have been there this morning.

The Hon. PETER PRIMROSE: Page 33 of the property section of the *Australian Financial Review* of last Tuesday reveals that the Government had updated its stance on Wentworth Park and said, "The site will remain public property for up to two years after greyhound racing in the State ends." Does that mean that your previous undertaking to keep the site in public ownership indefinitely was not a core promise?

Mr MIKE BAIRD: That is our position; it will stay in public hands. We outlined very clearly what the use would be for that and the other tracks—it is community space, open space or for schools. Each community will be engaged in those facilities and we will deliver something that supports the community's desire and intent in relation to that land.

The Hon. PETER PRIMROSE: I will not ask you where the *Australian Financial Review* gained its information from relating to "up to two years", but are you indicating that is not an accurate reflection of the Government's policy?

Mr MIKE BAIRD: Correct.

The Hon. PETER PRIMROSE: Are there any proposals for a private developer to be involved in purchasing any aspect of that site?

Mr MIKE BAIRD: No; certainly none that I am aware of. Even if there were approaches in any context they would not be entertained or considered by the Government. It is for public use, open lands or for schools—full stop, end of story.

The Hon. PETER PRIMROSE: The comments of the urban task force chair, Chris Johnson, in the *Australian* last Tuesday were to the effect that the site would have "prime potential for housing development". I am not asking you whether or not you agree with those comments. You indicate that that is not the case; that there will be no housing development on that site?

Mr MIKE BAIRD: You would expect him to say that, given his position.

The Hon. PETER PRIMROSE: I understand that, but I am asking you.

Mr MIKE BAIRD: It is not available for housing and residential accommodation. The use is very clear and that is what we will deliver.

The Hon. PETER PRIMROSE: Will people who are financially impacted by your closure of the greyhound industry receive financial assistance?

Mr MIKE BAIRD: That is being worked out by John Keniry as we speak. The question is how to apply it in all the circumstances. There are two principles: we want to be generous and flexible. That is why Dr Keniry is spending a lot of time travelling and meeting as many people as possible to give us the capacity to outline that package.

The Hon. PETER PRIMROSE: As a start, you allocated \$30 million. Is that correct?

Mr MIKE BAIRD: I said that in the first year that is the minimum position. We will wait for the advice and recommendations from John. We want to provide every opportunity to support the industry through the transition.

The Hon. PETER PRIMROSE: How was the \$30 million calculated?

Mr MIKE BAIRD: Through the process that was undertaken, the decision and the bill coming to Parliament, there was a request for engagement with industry. The Government said, "We want to engage with you to ensure that we do this in the best possible way and give you every opportunity to have a say in it." The industry decided to focus on challenging the decision to stop racing, which I totally understand. As part of the process there has to be a range of considerations about the minimum requirement. The proposal internally is the minimum amount that is—

The Hon. PETER PRIMROSE: Who did that modelling?

Mr MIKE BAIRD: That was done as part of the work of the transition task force.

The Hon. PETER PRIMROSE: Did the transition task force come up with the \$30 million or did someone else?

Mr MIKE BAIRD: As I said, that is the number that was put forward on an initial basis, but the final number—

The Hon. PETER PRIMROSE: Who put it forward, Premier? That is my question.

Mr MIKE BAIRD: I have put it forward. What I am telling you is that the final position and the duration and structure will be proposed following appropriate work with the industry, understanding its needs, as we transition.

The Hon. PETER PRIMROSE: There are various licence fees that owners and trainers in the industry have paid. Is it proposed that those fees will be reimbursed?

Mr MIKE BAIRD: All those issues will be considered by the task force. The intention is for the task force to report and make recommendations to the Government before the end of the year. We want to give the

industry as much chance as possible to have a say, and we want to communicate the changes and opportunities to people in the industry.

The Hon. PETER PRIMROSE: But, Premier, you just indicated that you were able to pick out a figure of \$30 million for the first year.

Mr MIKE BAIRD: No, I said that in regard to the preliminary work on what might be required that is both generous and helps us with the flexibility—

The Hon. PETER PRIMROSE: But you said you came up with that figure.

Mr MIKE BAIRD: No, I said I stated that figure.

The Hon. PETER PRIMROSE: You stated the figure. How was that figure developed?

Mr MIKE BAIRD: I have answered that.

The Hon. PETER PRIMROSE: Was it you or someone else?

Mr MIKE BAIRD: I told you. I repeat: The preliminary work has been done by the transition task force.

The Hon. PETER PRIMROSE: By who?

Mr MIKE BAIRD: I told you.

The Hon. SCOTT FARLOW: By the transition task force. The Premier said it five times.

Mr MIKE BAIRD: There is a transition task force that is doing the work on what may be required. I am not pretending that that is the final figure, because it is not the final figure. We need to get to the position where we have done the work with as many stakeholders in the industry as possible and where we understand all the issues and challenges. I have said that I want it to be generous and flexible. They are the principles that we are driving.

The Hon. ADAM SEARLE: Premier, should not that work have been done before you legislated to shut down the industry?

Mr MIKE BAIRD: Ideally, if the industry had engaged it would have given us the capacity to do more work on that. I understand its position. I understand that this is incredibly difficult for those in the industry. Now we need to work with them. The decision has been made. A process is being run. It has gone through the Parliament. We now need to effect it. We asked the industry to engage. It did not initially. I totally understand that. We will do that work and before the end of the year we will have all the details.

The Hon. PETER PRIMROSE: But you are not even able to say at this stage whether you will reimburse the licence fees.

Mr MIKE BAIRD: I am saying that all of that work is being done by the commissioner.

The Hon. PETER PRIMROSE: After you put the law through both Houses of Parliament.

The Hon. TREVOR KHAN: After the Parliament passed it.

Mr MIKE BAIRD: After the Parliament passed it, yes.

The Hon. PETER PRIMROSE: After the Government proposed it. Over the forward estimates how much, in broad terms, do you think the New South Wales Government will end up paying in assistance? Surely you have thought that much through?

Mr MIKE BAIRD: I have told you that that is to be determined.

The Hon. PETER PRIMROSE: I understand that, given such a complex area, it would be difficult for you to specify exact amounts. Do you expect it to be more than \$100 million?

Mr MIKE BAIRD: We need to finalise the work.

The Hon. PETER PRIMROSE: Will it be less than \$100 million or more than \$200 million?

Mr MIKE BAIRD: I am not going to put a figure on it. I have told you that in the initial context the preliminary figure for a year is \$30 million, but we need to understand all the circumstances and all the needs to ensure that we are, as I said, two things: generous and flexible. That is what we will work out and we will do it with the industry, understanding every issue that we possibly can.

The Hon. PETER PRIMROSE: Thank you for that, Premier. I sat here this morning carefully listening to what the Treasurer said. The Treasurer said that this Government is very careful to apply due process and does not take precipitous actions without having thoroughly costed and considered them. You are not able to tell me, even a vague estimate to the nearest \$100 million, how much this law that you put through the Parliament is likely to cost the people of New South Wales. Is that correct?

Mr MIKE BAIRD: No. I am saying that we have a preliminary estimate for a year. Much more work needs to be done to finalise that. We will ensure that the compensation is both generous and flexible. With regard to the capacity of the budget, we are confident that we have the ability to do exactly that.

The Hon. PETER PRIMROSE: I will not berate you about this, Premier.

The Hon. SCOTT FARLOW: But you are. You asking him to play a guessing game.

The Hon. PETER PRIMROSE: The Premier who passed a law claiming to be appropriate—

The Hon. TREVOR KHAN: He did not pass it; the Parliament did.

The Hon. PENNY SHARPE: Do you have a point of order?

The Hon. PETER PRIMROSE: I am simply asking, Premier, to the nearest \$100 million, what is your best estimate? You put the law through. It has gone through the process. The Government claims, and the Premier claimed this morning, the mantle of fiscal rectitude. How much, to the nearest \$100 million, do you expect that the New South Wales Government will end up paying in assistance?

Mr MIKE BAIRD: You mean the Treasurer claimed fiscal responsibility this morning.

The Hon. PETER PRIMROSE: Yes. I would hope that you would too.

Mr MIKE BAIRD: I understand what it is like to be Treasurer. I also understand that this is a very difficult issue. We need to get it right. The industry made a decision not to consult with the Government at the beginning. I understand that. It was fighting the ban. We now have the capacity to work with the industry. We will ensure that we do the work. We will have that before the end of the year. We will ensure that it is two things: generous and flexible.

The Hon. PETER PRIMROSE: But we do not know how much. Which Minister and which agency, Premier, will be responsible for administering this assistance?

Mr MIKE BAIRD: The Deputy Premier is the Minister responsible. He is overseeing it.

The Hon. PETER PRIMROSE: And which agency?

Mr MIKE BAIRD: Through the Deputy Premier.

The Hon. PETER PRIMROSE: So it will be one of his agencies?

Mr MIKE BAIRD: He is the Minister for Racing.

The Hon. PETER PRIMROSE: Yes, but he is not an agency.

Mr MIKE BAIRD: He is the Minister.

The Hon. PETER PRIMROSE: How many New South Wales businesses have you estimated will become eligible for assistance as a consequence of your decision?

Mr MIKE BAIRD: As I have told you, we are working through all of that detail with the industry to ensure that we provide a package that assists the transition of the industry as racing stops, that has flexibility for breeders, trainers and owners and that takes into account the welfare of the dogs. We are working through that. We are not apologising for doing the work that needs to be done.

The Hon. PETER PRIMROSE: If you do not know the number of New South Wales businesses, do you have any idea of how many businesses outside New South Wales will be eligible for assistance?

Mr MIKE BAIRD: The commissioner is working through those details. Obviously the package is for the industry here, and that is something that he will work through.

The Hon. PETER PRIMROSE: How many jobs do you estimate will be lost as a result of your decision?

Mr MIKE BAIRD: The McHugh report states that there are slightly more than 1,000 full-time jobs currently in the industry.

The Hon. PETER PRIMROSE: You indicated that you are willing now to talk with the industry.

Mr MIKE BAIRD: Commissioner McHugh consulted for a considerable period as part of his inquiry. Considerable consultation was undertaken with the industry through that process, including the ramifications—what would happen if the industry closed. Now John Keniry is doing that work through the transition task force.

The Hon. PETER PRIMROSE: You mentioned the figure of 1,000 jobs. The industry is indicating that it is more like 15,000. Had you done any work on an estimate before you passed your legislation?

Mr MIKE BAIRD: Commissioner McHugh has done that work.

Mr COMLEY: Premier, I think the commission found in New South Wales 600 individuals with paid work, full-time, part-time or casual and 4,400 participants in the form of licensed trainers, owner trainers and handlers, according to Greyhound Racing NSW.

The Hon. PETER PRIMROSE: Did that estimate include kennel hands in private businesses?

Mr COMLEY: The information in front of me states that that includes handlers, according to Greyhound Racing NSW. I have no reason to believe that Greyhound Racing NSW would have an incentive to understate that.

The Hon. PETER PRIMROSE: I refer to Mr Andy Lord, a trainer and breeder based at Gunning. In media reports he said that he will have to sack his five employees as a consequence of your decision. What specific assistance will the Government provide to those five employees at Gunning?

Mr MIKE BAIRD: That is exactly what John, as the commissioner, will be working through.

The Hon. PETER PRIMROSE: So you have not even thought of—

Mr MIKE BAIRD: Of course we have. That is what needs to be worked through.

The Hon. PETER PRIMROSE: What sorts of things are you thinking about?

Mr MIKE BAIRD: As you rightly articulate, there is a dispute in the industry about the number of employees. When looking at this Commissioner McHugh went through a lot of assessments and believed that they were overstated. On the basis of looking at the evidence that was presented he arrived at these numbers. As part of that and obviously through the transition taskforce we need to work out agreed numbers and provide opportunities to support them.

The Hon. PETER PRIMROSE: Let us assume your very limited numbers are correct. What do you envisage the Government will provide to those five employees who today are looking at losing their jobs?

Mr MIKE BAIRD: That is why it is really important that we do the work, which is what the commissioner is doing. Obviously before the end of the year we will be providing support and outlining the financial packages that will be provided.

The Hon. PETER PRIMROSE: When did you receive the greyhound report?

Mr MIKE BAIRD: You have already run through that.

The Hon. ADAM SEARLE: Not the precise date. You said you received it and then you processed it, but you never said on what date.

The Hon. PETER PRIMROSE: What date was it? Please feel free to take the question on notice.

Mr MIKE BAIRD: We can take it on notice but it came to the Government when it came to the Government, and Cabinet considered it when it considered it.

The Hon. PETER PRIMROSE: It is a very simple question, Premier. I know you are not trying to be evasive.

The Hon. BEN FRANKLIN: The Premier has agreed to take the question on notice.

The Hon. PETER PRIMROSE: Will you provide that answer?

Mr MIKE BAIRD: Sure.

The Hon. PETER PRIMROSE: Mr Lord said he invested more than \$2 million in training infrastructure, kennels, puppy runs and a racetrack. Do you envisage that the Government will pay him \$2 million for his investment?

Mr MIKE BAIRD: I understand the line of questioning. In order to avoid repeating myself in relation to individual circumstances I cannot provide a comment. We will consult with the industry as comprehensively as we possibly can. We have appointed a pre-eminent person who is doing everything he possibly can to ensure that we consider all the issues, provide appropriate financial assistance and provide an appropriate transition package for the industry.

The Hon. PETER PRIMROSE: Before you made such a monumental decision that dramatically affected the lives of so many people in this State, as you have said and as the Treasurer outlined this morning, you would normally sit down and work it out beforehand.

The Hon. TREVOR KHAN: Point of order: Is this a question or a diatribe?

The Hon. PETER PRIMROSE: I am trying to establish what was in your mind when you drafted this legislation and put it through the Parliament? Had you thought of any of these issues at all?

Mr MIKE BAIRD: I will tell you what was in my mind. As I read the report I could not quite believe what I was reading, and I would suggest nor could you. The fact is that 50 per cent to 70 per cent of every group of puppies that are born are slaughtered because they are not fast enough. I also saw systemic live baiting. What does that mean? That means piglets, rabbits and possums are dangled in front of the greyhounds to ensure that they have an opportunity to compete and race to the highest level. I also saw that one in five greyhounds that make it to the track suffer from serious and catastrophic injuries. There is a culture in the industry relating to greyhounds. If it costs too much trainers do not get the best veterinarians involved; they take matters in their own hands. This industry, which has been practising live baiting for more than 60 years, said that live baiting was banned but we know that it continues.

The industry did not prevent it. Yes, there are some good people in the industry but they were let down by a culture that enabled animal cruelty to thrive and that turned a blind eye to what was going on. We have taken a very difficult decision. I understand that it will have a big impact on people but my strong sense is that we could take no other action. If we turned a blind eye to that form of systemic animal cruelty I do not think we would have been doing the right thing. That was something that the Government considered and that is the reason that the legislation was introduced. As part of that we now need to support the industry in its transition. Clearly engaging with the industry gives us the best capacity to understand all the issues and to deal with it appropriately. That is exactly what we will be doing.

The CHAIR: I refer to my previous correspondence with you and to other material that conveys my concern about the Safe Schools Coalition course in our State schools. Today's *Daily Telegraph* has a full page article and an editorial entitled "Take careful steps on gender journey." It quotes an alarming fact that I believe is related to the emphasis of the Safe Schools Coalition course on transgenderism and gender fluid. The editorial states:

One major children's hospital here [the Royal Melbourne Children's Hospital] has seen a number of children in its gender dysphoria unit explode from just one a decade ago to some 250 now.

The editorial continues:

However, it would be repeating one of history's great mistakes if any children were being unnecessarily encouraged or coerced into transition ...

The editorial concludes with a positive comment:

Imposing change upon them [children] or seeing them on a course that may not be the right one is often fraught with danger. It is worth remembering here perhaps the two most important tenets of freedom and care.

The first is from the US Declaration of Independence, which upholds an individual's right to "life, liberty and the pursuit of happiness".

The second is held by the Hippocratic oath, the ancient foundation of medicine, whose upholders swear: "I will abstain from all intentional wrongdoing and harm".

This message of both is clear: When in doubt, leave people be.

I say leave children be. What are the Government's plans for the future of the Safe Schools Coalition course in New South Wales schools?

Mr MIKE BAIRD: I am not aware of the circumstances revealed today. I will ask the Minister for Education for the details. In the area of public education a number of children have different needs and they are from different backgrounds—issues that the department has to deal with. I am not aware of that matter in particular so I need to understand all the circumstances. In relation to Safe Schools, you know the position. We have supported the review of the Federal Government. As part of that review it took inappropriate material from the site and from the offered curriculum. They said that it should only be for secondary schools so it is more age

appropriate. They also spoke about the need for increased parent engagement. I and the Government totally support all of those and we have asked the Department of Education to ensure that that is being followed in the schools that are using this material.

Really to me there are two things. Local schools can make decisions about the bullying material that they might want to use as part of the curriculum. It is incredibly important that we ensure that there is material available to stop bullying in our schools and to tolerate differences. In terms of this material that is offered, again it is a matter for a local school if they decide they want to use it. I also agree with the changes from the Federal Government that parents must be engaged and they have the right that if they have any concerns about any of that material their child does not have to attend. That is what we are working through with the Department of Education to make sure that is being complied with. Obviously the funding of the program remains an issue at the Federal Government level.

The CHAIR: I know your State Government is not actively promoting Safe Schools but the Victorian Government is. It has made it mandatory in Victoria and will continue to fund it even if the Federal Government stops funding it. That is why I would propose that those figures of now 250 children in 10 years who are confused about their gender are a direct result of the Safe Schools program in Victoria. Hopefully we will not have 250 children in our children's hospital in Sydney with similar concerns and confusion about whether they are a boy or a girl. As you know, the Safe Schools program actively encourages children, saying your gender is fluid and if you feel it like it boys can wear girls' uniforms to school, et cetera.

Mr JEREMY BUCKINGHAM: Point of order: Chair, are you going to ask a question or is this a diatribe?

The CHAIR: I am asking a question. I am asking whether we could see the same impact in New South Wales through the Safe Schools program.

Mr MIKE BAIRD: I have no idea whether you can connect this program to what we are seeing. Ultimately any education system needs to be prepared for anyone from any one background or any circumstances. On this particular program I think I have been pretty clear. That is, if local schools want to use this as part of their anti-bullying curriculum it is something they can choose to do provided that parents are engaged. That is the requirement that came with the change from the Federal Government. If the school is happy and the parents are happy then the child will receive it. If the school wants to do it but the parents do not then the child does not have to participate. Again, the Victorian Government takes a different position from us on the funding. If the Federal Government decides not to fund it that is a matter for them, but we would not be funding it if they decide not to.

The CHAIR: You mentioned removing bullying. Obviously we are all very concerned about bullying and would like to see it removed as much as possible. You are under the impression that the course is an anti-bullying program. The lady who designed it, Roz Ward, is on public record as saying when addressing forums that this Safe Schools program has nothing to do with bullying. What is your reaction to that? You think the value of the course is that it is going to reduce bullying, but the people who drafted it say it has nothing to do with bullying.

Mr MIKE BAIRD: I understand the concern has been raised. There are all types of agendas at play in this particular space. Mine is pretty clear. This is included as part of the anti-bullying, acceptance and inclusion agenda. It is an option for schools to consider on the proviso of the changes that were brought about by the Federal Government, which are all totally sensible changes which we support. If schools decide and parents decide and they are happy with the material it is up to them. But, again, this is Federal Government funded and if they decide that they do not want to continue with it that is obviously a matter for them.

The CHAIR: I did ask these questions of the Minister for Education and I did not get very far. I know you referred to that Commonwealth review of the course, which was a very cursory two-week examination as I understand it. The Commonwealth accepted that report. But I would have thought any course—especially if it has some controversial aspects—would have been thoroughly examined by our own experts in our Department of Education. I could not get a clear answer from the Minister or his staff as to who has studied the Safe Schools Coalition course and approved it for use in New South Wales schools.

The Commonwealth may have given it a broadbrush approval, but from other issues over the years I know how strict the Department of Education is about material being introduced into State schools. Whether it is secular or religious, they are very strict. I am just puzzled. There does not seem to have been any investigation. I tried to find out whether the Board of Studies approved it. They usually approve what goes on in schools. I asked if the head of the department approved it. It appears that none of them have looked at it. The

Minister said he had just looked at some of the material on the website. That, to me, is not a proper investigation of material in a State school curriculum.

Mr MIKE BAIRD: I think, Mr Chair, if you have asked the Minister for Education then he can obviously respond in terms of the process. I think I have outlined our position pretty clearly. I do not know where the Federal Government is up to in the long-term future funding. I thought the changes they implemented were very sensible. We just want to make sure that all of those are being implemented and followed through in the schools that are using it. I understand it is a relatively small number of schools that actually have that as one of the tools in their anti-bullying programs. The Minister can respond directly to that question.

Mr JEREMY BUCKINGHAM: Premier, is manmade climate change real?

Mr MIKE BAIRD: Yes.

Mr JEREMY BUCKINGHAM: It is. That is excellent. Well, it is not excellent.

The Hon. TREVOR KHAN: Is that the end of your questions?

The Hon. SCOTT FARLOW: We are all done.

Mr JEREMY BUCKINGHAM: Did the cameras get that? Is climate change a threat to economic development and future prosperity in New South Wales?

Mr MIKE BAIRD: There is no doubt you have to take action. It is a reality and if you do not take action obviously the follow-on is that there would be economic consequences.

Mr JEREMY BUCKINGHAM: From a policy perspective who in government is modelling the potential impacts of climate change on the New South Wales economy and our environment?

Mr MIKE BAIRD: The secretary is familiar with that and will give you some detail.

Mr COMLEY: It depends a bit on what you mean by modelling. Obviously in the past there has been a lot of work on coastal erosion and sea level rise. Some has been done by New South Wales, but we are not an island on this. There is a lot of work done by bodies such as the CSIRO and work that is leveraged off the Intergovernmental Panel on Climate Change [IPCC] on the physical impacts. Then in terms of looking at broader inputs in the Australian context of course you have the recent report of the Climate Change Authority, the work done by the Federal Government.

At the moment we are not conducting an exercise similar to that which was undertaken for the Federal Government for the Carbon Pollution Reduction Scheme in terms of an international and domestic climate change model, but we do continually review the policies that are in place for climate change to see how adequate they are for a response to climate change. That is done across a number of agencies. The Office of Environment and Heritage plays a significant role, but we within the New South Wales Government see this very much as a crosscutting issue. There is involvement from the industry department as well as the Office of Environment and Heritage, as well as Treasury, as well as the Department of Premier and Cabinet [DPC] among others.

Mr JEREMY BUCKINGHAM: But no-one is bringing that together in whole-of-government policy or modelling specifically in terms of economic impacts in New South Wales?

Mr COMLEY: I focus on the term "modelling". I would not describe us as doing a comprehensive modelling exercise but there is a process within the New South Wales Government to look at the climate change policy, which engages all those agencies, determines what the appropriate response is and provides advice to government.

Mr MIKE BAIRD: Which is being done by the Minister for the Environment ultimately.

Mr JEREMY BUCKINGHAM: I have read the Office of Heritage report on climate change. It talks about the physical impacts and greenhouse emissions, but there is not much there on the economy.

Mr COMLEY: I can assure you that there is a process, which I have been personally participating in as have other heads of departments, to try to bring a whole-of-government perspective to climate change in regard to physical impacts and what the policy response should be in the context of national and international action.

Mr MIKE BAIRD: A good example was our coastal policy that you saw. That is a subset of the work that is going on holistically.

Mr JEREMY BUCKINGHAM: Do you think New South Wales will ever stop exporting coal?

Mr MIKE BAIRD: Not for a long, long time.

Mr JEREMY BUCKINGHAM: What does a long, long time mean?

Mr MIKE BAIRD: I have not got all the reserves proven and probable before me, but I would expect many decades to come.

Mr JEREMY BUCKINGHAM: On proven and probable reserves we could export New South Wales coal at current rates for hundreds and hundreds of years. Do you expect us to continue to do it at similar rates for decades and decades?

Mr MIKE BAIRD: Obviously there is a transition to a renewable future; there is no doubt about that. As the economics change in the renewable space obviously there is an impact on coal. In the longer term there is no doubt that as a sector there will be increasing pressure, but I think it is a long way off before we get to that position.

Mr JEREMY BUCKINGHAM: So you do not think there is a structural decline in coal which will have an impact on coal exports and royalties in New South Wales in the short or medium term?

Mr MIKE BAIRD: Again, it is obviously a matter for the market to determine. There will be a price of coal that will determine whether or not it is economic to continue in this State. On the forecasts I have seen and on the understanding I have there is a long time to run in relation to that.

Mr JEREMY BUCKINGHAM: A scientific study published in the eminent science journal *Nature* surveyed the amount of carbon that can be released into the atmosphere to have a 50 per cent chance of not exceeding the 2 degrees Celsius of global warming, which is the threshold that the IPCC and governments around the world recognise as being a critical tipping point ecologically. They compared this against global reserves of fossil fuels and concluded that 90 per cent of Australian coal must stay in the ground of proven reserves. Do you accept that science—that 90 per cent of Australian coal must stay in the ground if we are to meet that 2 degrees Celsius target?

Mr MIKE BAIRD: I accept that the market will be determined—and Mr Comley might have some broader views on this—ultimately by where we get to on emissions. At the moment the Federal Government has taken a view in relation to Direct Action and I am sure that you have seen that as a government we have participated in the actions.

Mr JEREMY BUCKINGHAM: Just to interrupt, you just said the market will be the determinant. That is a really important philosophical point.

Mr MIKE BAIRD: Of the coal price.

Mr JEREMY BUCKINGHAM: Do you not think it will be the planet that is the determinant of the warming?

Mr MIKE BAIRD: They are obviously connected together. Moving towards positions on global emissions, which obviously the Federal Government has signed up to, by its nature changes the economics of renewable energy versus coal. They work together. Do you want to add anything else?

Mr COMLEY: The only thing I would add is that if you look at all the forecasting and modelling of this, the big variable for coal is whether carbon capture and storage technology are viable in the longer term. Even in the IEA modelling and others that is a significant use of coal even in a very low emission future.

Mr MIKE BAIRD: Depending on how successful it is.

Mr JEREMY BUCKINGHAM: If it is successful?

Mr COMLEY: Yes.

Mr JEREMY BUCKINGHAM: Can you highlight an example of successful carbon capture and storage anywhere—

The Hon. TREVOR KHAN: He said in the longer term.

Mr COMLEY: I think the Gorgon project is probably the best example where there is carbon capture and storage in the LNG project and recycling air, which was a condition of their licence.

Mr JEREMY BUCKINGHAM: But in regard to coal?

Mr COMLEY: I believe that the Global Carbon Capture and Storage Institute currently has 20 pilot projects being considered across the world to look at carbon capture and storage. They have found some challenges there but there is quite a lot of work around the world on carbon capture and storage.

Mr JEREMY BUCKINGHAM: Do you think the development of a coal seam industry in New South Wales is essential to the economic development of this State?

Mr MIKE BAIRD: I think it is important.

Mr JEREMY BUCKINGHAM: Can you elucidate? Why is it essential? Why is it important?

Mr MIKE BAIRD: There are a number of issues. If you follow through your argument and you want to transition away from coal, obviously the provision of power through gas will result in fewer emissions, so because of its very nature it makes sense. From a risk management point of view it makes sense because at the moment we rely on gas and we are basically importing most of our needs. If we have appropriate reserves in appropriate places then from an economic point of view it makes sense to pursue costs. You do remember—and I know that you follow this space very closely—that we inherited a regime with licences everywhere, no protections and no regulations. We have been systematically and methodically fixing that.

Mr JEREMY BUCKINGHAM: Do you think a transition in New South Wales from coal to gas-fired power is appropriate if sourced from coal seam gas? Is that something the Government is actively considering?

Mr MIKE BAIRD: As a broad policy mix I think it makes sense. I mean, The Greens used to support that position. That used to be a strong platform.

Mr JEREMY BUCKINGHAM: Barnaby Joyce has said that the Shenhua Watermark coalmine is "madness" and that there is little he can do as mining is largely a matter for State governments. Do you agree with the Deputy Prime Minister's assessment that the Shenhua Watermark coalmine is madness?

Mr MIKE BAIRD: I think you have seen the recent actions that we have taken. Certainly those licences we inherited and the Shenhua process was well advanced when we came to government. The other licence—

Mr JEREMY BUCKINGHAM: It was approved by your Government.

Mr MIKE BAIRD: If you follow the planning process, there is an implemented regime that must be followed and it can be challenged on the basis of decisions made early on if you do not follow through—subject to the final signoff on water modelling by the independent expert, scientifically. That was broadly inherited, as was the licence at Caroona. I have been quite public in the sense that we need to do everything to protect those black soils and the decision we made in relation to Caroona was exactly that. At the same time we are negotiating with Shenhua to remove its licence because there is a mine plan but the licence area goes down under the black soils. We are negotiating with them to take it off the black soils at Liverpool Plains. We talk about the future—

Mr JEREMY BUCKINGHAM: Then you would be comfortable with proceeding—

The Hon. ADAM SEARLE: Point of order: Mr Buckingham's time has expired.

Mr MIKE BAIRD: The global growth—

The Hon. ADAM SEARLE: Point of order—

The Hon. BEN FRANKLIN: No, the Premier is concluding his answer and it is appropriate that he do so.

Mr MIKE BAIRD: The global growth for food is going to go up by 70 per cent by the time we get to 2050 so agricultural land is critical, coexistence is possible and we are doing what we can with that Shenhua project to move it off those black soils.

The Hon. ADAM SEARLE: Did the New South Wales Government make a submission on the environmental impact statement for the new Western Sydney airport?

Mr COMLEY: Yes, the New South Wales Government did.

The Hon. ADAM SEARLE: Will you make that public?

Mr COMLEY: That is a matter for the Government.

The Hon. ADAM SEARLE: Premier, will you make it public?

Mr MIKE BAIRD: Whatever the usual processes are. I will follow through and find out.

The Hon. ADAM SEARLE: While you are doing that can you tell us at least whether the submission supports or opposes a noise curfew for the airport?

Mr MIKE BAIRD: We can find that out for you. But our position in relation to that is that obviously the Federal Government makes the final decisions. We would want any impacts on housing to be minimised, and I know there is a range of proposals around that. You also need to ensure that that airport is viable.

The Hon. ADAM SEARLE: Does your submission indicate support for the noise mitigation plan put forward by Anthony Albanese, for example?

Mr MIKE BAIRD: I have not seen all of the proposal he has put forward, but I understand that that is a proposal that obviously takes away aircraft movements from housing. But, at the same time, what is not clear and what obviously is a matter for the Federal Government is that it needs to determine whether the economics work. I do not know—and again it is a matter for the Federal Government—who the tenants will be, what the usage will be and how it will function in the long term. That is being determined. Our principle is similar. We back the airport. We obviously want to minimise the impact on any housing and that will be worked through as part of this process.

The Hon. ADAM SEARLE: Does your submission provide support for a rail line to the airport and when do you want to see the rail link commence?

Mr MIKE BAIRD: Of course we support a rail line.

The Hon. ADAM SEARLE: To commence at the same time as the airport?

Mr MIKE BAIRD: Again, it is a question of timing. The Prime Minister has said that that would be his desire, and we look forward to working with the Federal Government on that. Melbourne is an example where rail was not there from day one. There is no point having a rail line there if you have only a few hundred people arriving in the first year. So you need to make sure that you allocate the capital at the time it makes the most sense. You need to be ahead of the curve, obviously, but there is no point allocating the capital until you see the business plan and you know what the requirements are. There is no doubt in the long term it will be needed. Again we are working with the Federal Government in relation to that process on all rail options. We are not only looking at access and at opportunities for the airport; we are looking at how to deliver additional rail capacity and services to Western Sydney as part of this. That is quite an exciting opportunity.

The Hon. ADAM SEARLE: Are you able to say whether you will release the submission to the EIS?

Mr MIKE BAIRD: I can think of no reason why we would not, but let me check and make sure.

The Hon. ADAM SEARLE: Are you able to say?

Mr MIKE BAIRD: I just told you.

The Hon. ADAM SEARLE: I was asking the secretary.

Mr COMLEY: No, I am not able to say.

The Hon. ADAM SEARLE: Has the Government approached or requested additional funding from the Commonwealth for WestConnex?

Mr MIKE BAIRD: Not that I am aware of.

The Hon. ADAM SEARLE: In relation to WestConnex, are you aware of reports today that a supplier to the WestConnex project may have put asbestos contaminated materials into the project? Will you make sure that work on the project stops until it is ascertained that no asbestos is being used?

Mr MIKE BAIRD: Obviously I have seen those reports but I have not had any advice. They have been trying to verify those, as I understand it. Obviously we will respond appropriately, as we should.

The Hon. ADAM SEARLE: You would agree that public safety should be paramount in these circumstances?

Mr MIKE BAIRD: Of course.

The Hon. ADAM SEARLE: So will you make sure that work stops until it is verified whether or not asbestos is being used?

Mr MIKE BAIRD: Let us wait for the brief on what is there and what appropriate steps we should take. Obviously we will.

The Hon. ADAM SEARLE: You are aware of the ICAC report that was handed down the day before yesterday?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: And you are aware that the report states that Chris Hartcher and a group of other Liberal members of Parliament were all party to activities with the intention of evading electoral funding laws relating to the ban on making political donations by developers, evading disclosure of requirements and evading applicable election funding caps. Are you aware of that?

Mr MIKE BAIRD: I think you can assume I am.

The Hon. ADAM SEARLE: And you would agree that it is clear from that report that each of the Liberal figures mentioned was found by ICAC to have broken the electoral funding and disclosures legislation. You would accept that that is a fair reading of the report?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: And it is also clear that the only reason ICAC has not recommended that they be prosecuted for those breaches is that the time limits for bringing those actions in relation to those individuals has passed. Do you accept that?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: In the *Newcastle Herald* on 29 April 2014 you said, "If any wrongdoing is found the book should and will be thrown at the perpetrators." That was in relation to the Spicer and Credo matters, was it not?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: Do you remember saying that?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: And in the *Sydney Morning Herald* the following August you said, "I don't care what political badge you have, if you have done wrong and if ICAC has shown you to have done wrong I am your worst nightmare. I am going to do everything to restore confidence in the government. The actions we take will be strong, they will be swift". Do you remember saying those words?

Mr MIKE BAIRD: Yes, and I think that is what you have seen.

The Hon. ADAM SEARLE: In October 2014 your Government brought forward legislation to make a number of changes to the electoral funding and disclosure laws. Do you remember doing that?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: And one of the changes was in relation to the limitation periods for commencing proceedings for summary offences under that Act. Do you remember that?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: I think the time limits were increased from three years to 10 years.

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: That change did not cover the matters being investigated at that time by Operation Spicer and Operation Credo, did it?

Mr MIKE BAIRD: Given your legal background, I am assuming there is a legal precedent. You are not arguing that we go back and change penalties retrospectively, are you?

The Hon. ADAM SEARLE: I will come to that. During the debate in Parliament on the legislation the Opposition moved an amendment to make the new 10-year time period apply to matters that had occurred beforehand. You remember that, do you not?

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: Why did your Liberal and Nationals members of Parliament not support that measure to make sure that the matters being investigated by ICAC could be dealt with by the appropriate authorities if wrongdoing was found?

Mr MIKE BAIRD: A couple of points. There were some recommendations in relation to the Electoral Commission taking more responsibility. We made sure, in referring electoral fraud to ICAC in matters of a serious nature, that those cases were taken as referred. So they were going to be considered by ICAC.

The Hon. ADAM SEARLE: But that is what happened in this matter.

Mr MIKE BAIRD: In regard to the provision of penalties going forward, it is unusual, given your ongoing interest in law, that you argue we should go backwards. As was revealed in evidence to the committee from Kerry Schott, Andrew Tink and John Watkins, the recommendation from Kerry on behalf of that committee was that we should go forward; we should not go backwards. They have all done wrong; there is no doubt about that. But do you not think that they have paid a heavy price personally, professionally and from a family point of view? If you read the ICAC report and you go through it, what it says in relation to this matter is that potentially it does not think they will be able to be charged seriously. The only thing that might be available would be fines. I would argue, as I have just said, that every one of them has paid an incredibly high price for what they have done. They have done wrong—I am not trying to dispute that—but I think that they have paid a heavy price.

The Hon. ADAM SEARLE: What I am putting you to is the issue of time limits within which authorities could bring proceedings only.

Mr MIKE BAIRD: And that is prospective, yes.

The Hon. ADAM SEARLE: I know that is prospective, but why should it not have been to capture the matters that were already being investigated by the ICAC? We are not talking about retrospectively making things criminal that were not; we are simply talking about extending from three to 10 years the time frame in which the authorities could bring proceedings. The Electoral Funding Authority had the matters referred to it in 2011 and the matter has only just been finalised two days ago. The authorities simply were not able to deal with this. Even though wrongdoing has been shown to have occurred—quite systematic wrongdoing by members of your party—why in the Parliament did you, your party and the Government vote to let these people off the hook by not increasing the period in which proceedings could be brought?

Mr MIKE BAIRD: We did not, and as I have—

The Hon. ADAM SEARLE: I know you did not. Why did you not?

Mr MIKE BAIRD: We did not let them off.

The Hon. ADAM SEARLE: But you did. If you had voted with us to extend the period from three to 10 years, if there is evidence, the wrongdoing encapsulated in the ICAC report could now be dealt with by the authorities in the proper way.

Mr MIKE BAIRD: I know you are going to take off your legal hat and put on your political hat. I know that is what you are going to do in relation to this. If there were any other circumstances you would be arguing against yourself, and quite vigorously. We have taken the advice from, interestingly, Kerry Schott. Why is that an interesting position to take? Because we know what was going on and the forces that were working against her—an outstanding public servant who took up a range of matters. I do not want to go into it because it has been a sorry chapter in the history of politics in this State. Both parties have a lot to be accountable for in relation to this. Kerry Schott made a recommendation that it go forward, full stop, and that is what we have done.

The Hon. ADAM SEARLE: But ultimately it is a matter for the Government and the Parliament to make a decision.

Mr MIKE BAIRD: Yes.

The Hon. ADAM SEARLE: In 2012 the Government of which you were the Treasurer, made a decision to take people's valuable workers compensation legal rights off them, in some cases retrospectively. And in 2013 the Government of which you were the Treasurer took people's rights to victims compensation away retrospectively, including victims of historical sexual assault. You have no problems with retrospectively affecting the rights of injured workers and victims of crime, but you seem to want to protect politicians from your own party who have clearly been shown to have broken the law. Why will you not now join with the Labor Opposition to close this loophole and make sure that, if there is evidence, the authorities can bring proceedings for these systemic breaches of the electoral funding and disclosure laws?

Mr MIKE BAIRD: You are being simplistic.

The Hon. ADAM SEARLE: No, you seem to be favouring the rights of politicians who have broken the law over the rights of injured workers and sexual assault victims.

The CHAIR: Mr Searle, do not debate the Premier, let the Premier answer the question.

Mr MIKE BAIRD: As you know, we have made some changes in relation to victims compensation.

The Hon. ADAM SEARLE: Now you have, but at the time you took their rights away.

Mr MIKE BAIRD: But I am telling you, we have made some changes and under part of that scheme previously—forget about the fact that it was financially unsustainable, I know that does not concern Labor—victims were not getting funds for up to three years. We have changed that scheme so that the victims have the capacity to get the funds straight away. So, as a good example, they are getting counselling in a much quicker time frame than previously. There is a range of circumstances around all of those matters. As I have said, this is an incredibly difficult issue.

From a personal point of view, this is terrible. I count all those people on our side, in some form, as friends and I wish they had not done what they have done, I genuinely do, but they have. And in that context they have, I believe, been named as part of this process and you have seen how it has run and how it has played out. They have lost jobs, careers, families—it has been a massive, massive thing that none of us can understand unless we go through it. It has been a very difficult process. I believe they have paid a heavy price but they did the wrong thing.

The Hon. ADAM SEARLE: You have acknowledged that Premier, but you have not lived up to the statements that you made when you became Premier about ensuring that if wrongdoing was—

The Hon. TREVOR KHAN: Point of order: Is this a question or again a speech?

The Hon. ADAM SEARLE: There is wide latitude given to framing the context. Premier, why have you not lived up to the promises that you made when you became Premier, that you would ensure that the book would be thrown at people found to have done wrong? Why did you vote in the Parliament to let these people off the hook?

Mr MIKE BAIRD: Did you have a look at the crossbench in Parliament?

The Hon. ADAM SEARLE: Yes, it was the third biggest force in the Parliament.

Mr MIKE BAIRD: Have you seen anyone that is in that report run for or be part of this Government?

The Hon. ADAM SEARLE: No Premier, but you still voted in the Parliament to let them off the hook of the legal consequences of their actions in not extending the time period in which the authorities could bring a case.

Mr MIKE BAIRD: That is incorrect.

The Hon. ADAM SEARLE: It is not incorrect; it is what you did.

The CHAIR: Let the Premier answer the question.

The Hon. ADAM SEARLE: The Premier, I think, did answer the question.

Mr MIKE BAIRD: It is incorrect.

The Hon. ADAM SEARLE: Premier, why will you now not join with the Opposition to close this loophole and extend the time period? You agreed that the time period of three years was too short and that ten years was a more appropriate time frame. Why will you not now join with us to make sure that applies to these matters that were before ICAC at the time?

Mr MIKE BAIRD: Far be it from me to lecture you on law because I certainly would not. But it is not an unusual process to look at the current law and to make recommendations and changes or enhancements. That is done on a prospective basis. That was a recommendation from the chair of the independent committee which, by the way, included not only Andrew Tink but John Watkins. I do not want to run through the donation reforms that the Government has instituted; you can see the actions we took in relation to the crossbench in the last Parliament. I think it is clear that I have set a pretty high bar in relation to what we expect. But it is not just us, all sides in this House have to do that and certainly that is a very difficult moment, that report coming down, on many fronts. Most importantly, it is the people of New South Wales who have been let down. I have already apologised for that because I think I have to. Going forward, we need to make sure that it never happens again and that is why the changes have been made.

The Hon. ADAM SEARLE: Premier, the rule against retrospectivity is about substantive law, about for example, creating new offences. You do not make those retrospective. But why would you not agree to extending the time period in which a prosecution could be brought if the matters were already offences at the time they occurred? We are only talking about a procedural matter, the time limit. Why will you not join with us in extending the time limit so that, if there is evidence that proves wrongdoing in a court, the authorities can take the appropriate action as a result of what you have admitted is the serious and systemic wrongdoing outlined in the report?

The Hon. BEN FRANKLIN: Point of order: The member has asked the same question now on half a dozen different occasions. The Premier has answered the question each time.

The Hon. PENNY SHARPE: There is no point of order then—it is asked and answered.

The Hon. PETER PRIMROSE: It is not a point of order, you might not like it but it is not a point of order.

The Hon. BEN FRANKLIN: It is not that I do not like it; it is that the Premier has already answered the question.

The Hon. ADAM SEARLE: With respect, I do not think the Premier has. I am trying to give him ample opportunity.

The Hon. BEN FRANKLIN: I think he has answered it extremely well.

The CHAIR: The Premier has answered it. He has not accepted your proposition.

The Hon. ADAM SEARLE: Premier, to be clear, you do not want retrospectivity to catch politicians who have broken the law but you did not mind retrospectivity to take rights off victims of crime and injured workers?

Mr MIKE BAIRD: You know that is not right.

The Hon. ADAM SEARLE: Well I do not know that because that is how you voted in the Parliament, Premier.

Mr MIKE BAIRD: No, you do know that.

The Hon. ADAM SEARLE: That is not true. Premier, I think this is a matter that is also touched on in the ICAC report handed down a couple of days ago. In March this year the Electoral Commission determined that your party was ineligible to receive funding from the Election Campaigns Fund and the Administration Fund administered by the commission, until you disclose all reportable donations, and that your party did not submit a requisite declaration, as required by the legislation. Your party has been given further opportunities to disclose the required information but has failed to do so, according to the ICAC report handed down the day before yesterday. Is that still correct or has the Liberal Party now complied with the law?

Mr MIKE BAIRD: I know that they were in discussions with them but obviously that is a matter for the party. I have made my position very clear on this: I want it resolved and finalised as quickly as possible. They should be bringing forward all details, as required by law.

The Hon. ADAM SEARLE: With respect Premier, you are the leader of the party and the Parliament. It was your name and the names of your parliamentary colleagues that were on the ballot papers last March. But more than that, you are the Minister responsible for the legislation and the Minister responsible for the regulator, the Electoral Commission. What steps are you taking to make sure that your party actually complies with the law? Or do you think it is above the law?

Mr MIKE BAIRD: I have asked them to comply—full stop; end of story.

The Hon. ADAM SEARLE: The Electoral Commission made its decision in March this year and it is now 1 September. Why will you not make your party obey the law?

Mr MIKE BAIRD: I have asked them to do exactly that and that is exactly what they are doing.

The Hon. ADAM SEARLE: They are not listening to you, Premier.

Mr MIKE BAIRD: No, they are. They are engaged—

The Hon. ADAM SEARLE: When will they comply with the law?

Mr MIKE BAIRD: They are complying. There are obviously further details requested by the Electoral Commission and they should comply with those requests, and they are.

The CHAIR: We will have a five-minute break for afternoon tea.

(Short adjournment)

Mr JEREMY BUCKINGHAM: Premier, I was interested in your response to questions from the Hon. Adam Searle regarding those members of the Liberal Party that have been found to have acted to evade electoral laws and you said they were some of your friends. You said that they had paid a very heavy price. Do you not think that because they broke the law, they took bags of cash in the back of limousines, they lied, they misled and then resigned and slunk off, that the community will think, well, rightly so.

Mr MIKE BAIRD: Do not get me wrong, I am not saying anything other than they have done the wrong thing.

Mr JEREMY BUCKINGHAM: You seem to lament that they had to pay a heavy price for it.

Mr MIKE BAIRD: I am saying they have paid a heavy price because I think they have.

Mr JEREMY BUCKINGHAM: That is good, is it not?

Mr MIKE BAIRD: As I have said, if you do wrong there are consequences and they are the consequences.

Mr JEREMY BUCKINGHAM: It is good they have paid a heavy price, is it not?

Mr MIKE BAIRD: In any individual circumstance where you do the wrong thing there are impacts and consequences.

Mr JEREMY BUCKINGHAM: It is good that justice is served and those that are liars, breach their oath to the people of New South Wales and mislead pay a heavy price, that is a good thing that justice is done, is it not?

Mr MIKE BAIRD: That is what happens if you do the wrong thing.

Mr JEREMY BUCKINGHAM: It is what you have to do, pay a heavy price?

Mr MIKE BAIRD: Yes.

Mr JEREMY BUCKINGHAM: You seem reluctant to say that it is a good thing that they paid a heavy price. Do you regret the fact that justice has been done? Is it because they are your mates?

Mr MIKE BAIRD: No. I am not disputing there is a personal element. If you read a report about someone that is one thing, if you know the people involved that is another.

Mr JEREMY BUCKINGHAM: Do you think the public has sympathy for those people?

Mr MIKE BAIRD: I do not think that the public has sympathy for politicians, full stop.

Mr JEREMY BUCKINGHAM: It is an important point, because a lot of people believe the political class protects its own. You seem to have sympathy for those people who lied, cheated and potentially have been found corrupt and gone to jail.

The Hon. TREVOR KHAN: They could not.

Mr JEREMY BUCKINGHAM: They potentially could have been. The point there is, when we see other people prosecuted for crimes do we have sympathy for them? Why does the Premier have sympathy for this class of criminals and not others? Is it because they are your mates?

Mr MIKE BAIRD: I am not saying that I do not have sympathy for others in any context. People in our justice system can rehabilitate. In any context if people do wrong there are consequences to pay, that has a toll on you personally, professionally and your family. That is all I am saying.

Mr JEREMY BUCKINGHAM: Fair enough. Premier, do you believe there should be a national anticorruption body, a national independent commission against corruption?

Mr MIKE BAIRD: That is a matter for our Federal Government colleagues.

Mr JEREMY BUCKINGHAM: Do you think New South Wales is well served by the Independent Commission Against Corruption?

Mr MIKE BAIRD: I have consistently placed on the record that I am for a strong ICAC.

Mr JEREMY BUCKINGHAM: It is clear that some politicians or political parties are using Federal laws, or the lack of them, to funnel money away from New South Wales to get around our electoral funding

laws, which are some of the most progressive in Australia. Do you think a national ICAC would help to clean up national donation laws and Australian politics?

Mr MIKE BAIRD: There are two issues which can come together: In the context of donation reform, I have said consistently that the less inconsistency there is between levels of government and jurisdictions the better. That is my view. I have taken that to the Council of Australian Governments [COAG]. The Prime Minister at the last COAG agreed it would be considered. I am not sure of the support that gets from my colleagues around the COAG table but it is something we will be discussing and I think it makes eminent sense. A national ICAC is a matter for the Federal Government and the Federal Opposition to consider.

Mr JEREMY BUCKINGHAM: The ICAC found that the Hon. Mike Gallacher intentionally sought to evade electoral funding laws and that his evidence was unreliable. You have been relying on his vote for two years. Should he continue to sit in Parliament?

Mr MIKE BAIRD: That is a matter for him.

Mr JEREMY BUCKINGHAM: Will you be making representations to him in that regard? Have you made representations to him on whether he should continue in Parliament?

Mr MIKE BAIRD: That is a matter for him.

Mr JEREMY BUCKINGHAM: So you think that if he decides to continue in Parliament that is appropriate?

Mr MIKE BAIRD: That is a matter that he can decide. It is up to him.

Mr JEREMY BUCKINGHAM: The Premier of the State has no view on that?

Mr MIKE BAIRD: No. I made my view quite clear this week: that he was unable to come back to Cabinet and to the parliamentary party. He has paid a heavy price for his actions.

Mr JEREMY BUCKINGHAM: Will your Government negotiate the passage of legislation with Mike Gallacher?

Mr MIKE BAIRD: As we always do, we will engage with everybody in the upper House.

Mr JEREMY BUCKINGHAM: There is a perception in the community that the Independent Commission Against Corruption [ICAC] has been under attack. We have seen the Cunneen court case, and there have been challenges from former mining magnates and politicians. The *Australian* newspaper has been on the attack. There has been what appears to be a personal attack by the inspector on the ICAC commissioner. The parliamentary Committee on the Independent Commission Against Corruption also got stuck into ICAC.

The Hon. TREVOR KHAN: That was me.

Mr JEREMY BUCKINGHAM: Yes, that is right. There is a perception in the community that ICAC is being undermined by the political class. What will you do to restore confidence that the Government supports ICAC?

Mr MIKE BAIRD: There are a couple of points there. Yes, there is public concern. Part of that is because the issue of jurisdiction has arisen. The issue of jurisdiction came to be resolved by Murray Gleeson, who I think everyone would agree is one of the pre-eminent minds in the legal profession. He determined what that jurisdiction should be post the Cunneen case. That has created all types of challenges. In addition, the inspector of ICAC raised a number of concerns. Issues have been raised that need to be addressed.

Mr JEREMY BUCKINGHAM: Potentially through legislation?

Mr MIKE BAIRD: We have asked the joint standing Committee on the Independent Commission Against Corruption to consider that. ICAC has significant powers and huge responsibility. Some concerns have been partially addressed, such as the question of jurisdiction, but significant concerns need to be addressed through legislation. The inspector has raised concerns that have been rejected in large part by ICAC. The joint standing committee has the role of considering that. It is not a question of whether we need ICAC. Yes, we do. Do we need to be strong? Yes, we do. Is it undertaking its activities in an appropriate way, given the breadth and extent of its powers? That is something that the inspector has concerns about and that the joint parliamentary committee will consider.

Mr JEREMY BUCKINGHAM: Premier, your environment Minister, Rob Stokes, said—

The Hon. BEN FRANKLIN: He is the former environment Minister.

Mr JEREMY BUCKINGHAM: My apologies.

Mr MIKE BAIRD: He was a very good one.

Mr JEREMY BUCKINGHAM: He said:

We are making New South Wales number one in energy and environmental policy. When it comes to clean energy, we can be Australia's answer to California.

Are we not more Kazakhstan than California? Is it not the case that we are at the bottom of the ladder when it comes to renewable energy in Australia? What will you do to get us off the bottom of the ladder?

Mr MIKE BAIRD: I argue that we are leading the nation in solar energy generation.

Mr JEREMY BUCKINGHAM: We are leading the nation in solar energy generation and renewable energy?

Mr MIKE BAIRD: Yes, in solar energy generation. You can argue against me, but my sense is that, given the generation in Moree and other areas, we have huge capacity. We are encouraging significant investment. We are doing a lot in solar energy generation. The Minister is working through a range of options on wind energy generation. We are happy to attract appropriate investment in wind energy into the State.

The Hon. PENNY SHARPE: You have been working through the same guidelines for five years.

Mr JEREMY BUCKINGHAM: Wind energy in particular interests me. Two projects that have been approved and constructed in New South Wales, in Crookwell and the Northern Tablelands, are getting off the ground because the Australian Capital Territory [ACT] has a mandatory renewable energy target [RET]. Why will you not consider following Victoria and the ACT on this? By the way, Daniel Andrews is absolutely tearing you up on Facebook.

Mr MIKE BAIRD: Is he?

Mr JEREMY BUCKINGHAM: He is absolutely smashing you. Why will you not consider doing what Daniel Andrews is doing?

Mr MIKE BAIRD: You should go and tell a few people here that.

Mr JEREMY BUCKINGHAM: I will. Why will you not consider doing what the ACT and Victoria are doing—that is, introducing a mandatory RET to drive economic development in the renewable energy sector in this State?

Mr MIKE BAIRD: Two things. I do not think everything Dan Andrews and Victoria are doing is outstanding. He is doing some good things but I have a number of concerns. On renewable energy I believe we are doing a number of things that encourage renewable energy. We continue to look at options to attract investment in renewable energy. It is an ongoing part of the Government's plan. I am not disputing emissions levels in any way. I am open to other approaches in renewable energy.

Mr JEREMY BUCKINGHAM: Does that mean you are open to having a mandatory renewable energy target?

Mr MIKE BAIRD: That is a Federal Government matter.

Mr JEREMY BUCKINGHAM: There are also State and Territory targets. Is that something you are open to?

Mr COMLEY: At this stage the New South Wales Government endorses the national RET. Minister Roberts went to the Council of Australian Governments meeting of energy Ministers last week to consider what other changes might be considered in the National Electricity Market [NEM] that would promote a more integrated energy and climate future. We are looking at the developments in both Victoria and the ACT with interest, but it is part of the holistic consideration across government that I talked about before.

Mr JEREMY BUCKINGHAM: Thank you.

The CHAIR: Premier, as you know, we have an excellent special religious education [SRE] system in this State. It is probably the best in Australia. Representatives of all Christian denominations and of all religions have a right of entry into the State school system to teach the children of their particular denomination or religion so that children are strengthened in their faith, spiritual knowledge and morals. What are you doing to help protect and promote scripture classes in New South Wales?

Mr MIKE BAIRD: We support and encourage SRE in our schools. It has been enshrined in legislation for a long time.

The CHAIR: So there are no plans to wind back scripture classes, as has just happened in Victoria? They have pushed scripture out of the State schools.

Mr MIKE BAIRD: No. That is a good example of where we will not be following Victoria's position. Our position is the opposite. We will continue to have SRE and continue to support it.

The CHAIR: Good. A similar program that I have been interested in since it started is school chaplains in our State school system. That was supported by John Howard and Tony Abbott when they were Prime Ministers. There is concern about whether the Government is giving its total and enthusiastic support of chaplaincy in New South Wales.

Mr MIKE BAIRD: I totally support it. Obviously the Federal Government funds it and provided it continues to fund it we will support it.

The CHAIR: I have been involved in helping residents in The Rocks and Millers Point especially the very aged residents, particularly females, in the Sirius building. I know you have had great success with selling public housing properties in Millers Point and The Rocks. Figures given to me show that if everything is sold it could raise in excess of \$880 million, which is far more than your original estimate of \$380 million. Forty tenants still remain in Millers Point who have not received an offer of alternative public housing that meets their needs. The majority of them are frail aged residents who have probably lived in the community all their lives. Does the Government have a proposal to reconsider its approach to the remaining residents to let them remain in public housing in Millers Point or The Rocks?

Mr MIKE BAIRD: The advice I have is that the expectation is \$500 million as opposed to the \$800 million estimate that you have quoted. That will provide 1,500 new homes, so more than three to one in terms of the number of additional dwellings provided, which is the rationale. To date about 100 properties have been sold and about \$260 odd million raised, which has gone towards 650 new homes. But we also understand the circumstances of some of those tenants, the frail and the elderly. The Minister has taken a personal interest to ensure that we listen and respond to those circumstances. We have ensured that a number of dwellings will remain and provide an opportunity for them rather than ask them to move out. The Minister understands those concerns and is directly providing support for those tenants.

The CHAIR: Is there a possibility of retaining the Sirius building?

Mr MIKE BAIRD: The Minister has made a decision in relation to its heritage status. Again, we will do everything in relation to public housing to ensure that the tenants are looked after as part of that process.

The CHAIR: What is the average amount added to the sale of a house through Government stamp duty?

Mr MIKE BAIRD: It depends. If you say \$1 million then \$40,000 is kind of the average.

The CHAIR: Do you agree that \$40,000 is a very heavy impost for young married couples buying an already expensive house? Is there a possibility to review and reduce the stamp duty level?

Mr MIKE BAIRD: We do for first home buyers. There is a \$10,000 grant available and we take away the stamp duty on the proviso that they purchase new dwellings. One of the challenges we have is obviously housing affordability. The structure of the policies is to encourage new dwellings. You would have seen over the past 18 months or two years in particular there has been a massive surge, indeed more than 70,000—when we came in it was 25,000. That is the way we deal with housing affordability long term, but at the same time to encourage that push for new dwellings and encourage those first home buyers, so young couples, purchase new dwellings. For a unit in a new complex we obviously give them the grant and we take away the stamp duty. There is a scale and it depends on where they get to. It is a massive stamp duty relief and a grant to first home buyers into new dwellings. I encourage them, to help with overall housing affordability, to look for a new dwelling.

The CHAIR: Is land tax still needed at its current level, as it must impact on people who are thinking about investing in rental properties as it can be many thousands of dollars each year?

Mr MIKE BAIRD: I am sure the Treasurer articulated this morning that we do everything we can in the context to try to reduce taxes, and we have. We have taken away payroll tax for new jobs. We took away the home buyers tax when we first came in—I think it was the first bill I introduced as Treasurer. We raised the threshold in terms of payroll tax as well. We are doing what we can in terms of reducing taxes. Clearly a reduction of tax means there is then less capacity in terms of our overall funding package for services such as health and education so there is a balance between the two. I think in each budget you have seen our determination, including in the last budget where a number of business taxes were taken away, the last that were

outstanding in relation to the IGA agreement. We continue to reduce taxes where we can. Obviously stamp duty and land tax is something that the Treasurer will be considering as we move forward.

The CHAIR: The Government enters into partnerships with companies to build new roads. Those companies will only build them if the roads can be tolled. Have you given consideration to reviewing the tolls, in particular, in the Sydney metropolitan area?

Mr MIKE BAIRD: There are a couple of points on that. We are doing a significant amount in relation to roads that are not tolled. Look at what we are doing to the Pacific Highway, the Princes Highway and the Newell Highway. A number of very significant regional roads are being upgraded, enhanced, or duplicated as we speak. The Roads budget is immense; the needs are immense. One of the challenges we had when we came to government is that our infrastructure backlog was at \$30 billion. How do you not only deal with the congestion that we currently have but also how do you start to future-proof the city? How do we do it with the budget we have and maintain a triple-A credit rating? All of that brings its challenges. Yes, there are some significant roads that we are getting on with that are not tolled but if we ask people to contribute, only if they receive benefits, we can not only deal with the backlog but we can also get ahead of the significant growth challenges that we have in the city, particularly in relation to congestion.

We are asking people to make a contribution by way of a toll on the M4 and M5, but that will enable us to build those roads and give us additional fiscal capacity, which means we can put more into hospitals and schools and bring them forward in a quicker time frame. We are very conscious of that package. How can we deliver as much infrastructure as quickly as we can, within our financial constraints? Part of that is on the road space, which is the main motorways, we have a capacity to do that in a much quicker time frame and still deliver everything by asking people to contribute to the benefit they receive through a toll. That is the approach we have taken and I think in the long-term it will deliver the best outcomes for the State.

The Hon. ADAM SEARLE: Premier, your party denied to the Electoral Commission that it had given an incorrect disclosure in relation to the election year 2011. In the wake of the Independent Commission Against Corruption report, do you stand by that claim of the Liberal Party?

Mr MIKE BAIRD: I can get the State director to come in if you want to talk to him.

The Hon. ADAM SEARLE: You are the Minister responsible for the Electoral Commission, the regulator. It is five years since the 2011 election and your party has still not disclosed all of its donors.

The Hon. TREVOR KHAN: Can you not ask questions about government?

The Hon. ADAM SEARLE: He is the Minister responsible for the Electoral Commission and the integrity of the political system is an important issue.

The Hon. TREVOR KHAN: Are you going to make another speech?

The Hon. ADAM SEARLE: No, I am asking why will you not, as the responsible Minister, make sure your party complies with the law?

Mr MIKE BAIRD: Two things. I assume that the Electoral Commission is independent.

The Hon. ADAM SEARLE: Sure, but it is five years later.

Mr MIKE BAIRD: Hang on.

The Hon. ADAM SEARLE: When will you comply with the law?

The Hon. TREVOR KHAN: Let him answer the question.

The Hon. ADAM SEARLE: If only he would.

Mr MIKE BAIRD: The regulator is independent and they are pursuing and engaging, as we have discussed, with the party. At the same time I am sure you are aware that we have significantly strengthened the Electoral Commission. We have given them more capacity and more resources.

The Hon. ADAM SEARLE: It is five years since the 2011 election—

The CHAIR: Let the Premier answer your question.

The Hon. ADAM SEARLE: —and your party has not disclosed what it is required to disclose by law. When will it do so?

The CHAIR: Mr Searle, let the Premier answer your question.

Mr MIKE BAIRD: That would be a matter that I would have to have confirmed by the party. Again, it is a question for the party.

The Hon. ADAM SEARLE: Will you take that on notice?

Mr MIKE BAIRD: You can ask the party. This is budget estimates.

The Hon. ADAM SEARLE: I ask you as the Minister responsible to confirm that your party has still not complied with the law.

The Hon. TREVOR KHAN: That is an absolute nonsense.

The Hon. ADAM SEARLE: It is not a nonsense.

Mr MIKE BAIRD: I do not think—

The Hon. ADAM SEARLE: You are refusing to answer the question?

Mr MIKE BAIRD: I am not. I am just saying—

The Hon. SCOTT FARLOW: He is not refusing to answer.

Mr JEREMY BUCKINGHAM: Point of order: Government members are continually heckling the Hon. Adam Searle. It is disorderly. I ask you to ask them to desist.

The CHAIR: They are trying to help the Premier.

The Hon. PETER PRIMROSE: We know that.

The Hon. PENNY SHARPE: That is outside the standing orders, Mr Chair.

The CHAIR: Could you answer the question, Premier?

Mr MIKE BAIRD: In simple terms, if you have a question for the Liberal Party—as the Leader of the Opposition will say on matters of donations and others, I have seen him say it—it is a matter for the party. If you have a question in relation to the estimates let me know. In relation to the Electoral Commission, they do operate as regulator independently. It is a matter for them to take up those issues.

The Hon. ADAM SEARLE: Just to be clear, you will not answer the question about when your party will comply with the law?

Mr MIKE BAIRD: I just answered it.

The Hon. ADAM SEARLE: You did not, actually. Will you name the secret political donor who gave \$2,000 to the Liberal Party for having dinner with you on 10 February 2015?

The Hon. TREVOR KHAN: I am going to take a point of order at this stage.

The CHAIR: A point of order has been taken, Mr Searle.

The Hon. ADAM SEARLE: Will you? You had dinner with them. You know who it is.

The CHAIR: What is the point of order?

The Hon. TREVOR KHAN: My point of order is that Mr Searle is asking questions that are beyond the scope of budget estimates. This is about the operation of government; it is not about the operation of any political party whether it be the Liberal Party, the Labor Party, The Nationals or even The Greens. Mr Searle and the Labor members should address matters that are appropriately dealt with in a budget estimates inquiry, not this nonsense that Mr Searle is engaged in.

The Hon. ADAM SEARLE: To the point of order: The NSW Electoral Commission is in the Premier's portfolio. It is in Budget Paper No. 3 at page 9-2. We are talking about the activities of the Electoral Commission and whether or not they are enforcing the law. The Premier is the responsible Minister. These questions go directly to those matters.

The Hon. TREVOR KHAN: To the point of order: That is too cute by half. That is plainly what he is not doing. He is asking about matters relating to the Liberal Party. As has been pointed out, the Electoral Commission is an independent body that the Premier has no capacity to direct in respect to these matters. He is asking about matters to do with the Liberal Party, not with regards to the Electoral Commission. His response to the point of order is nonsense.

The CHAIR: Can you move on with the question without being involved with the internal affairs of a political party?

The Hon. ADAM SEARLE: Further to the point of order: I can understand that Government members want to run a protection racket and that the Premier and members here do not want to answer questions as to why they are continuing to hide these political donations and why the Liberal Party continues to flout the law, but this is within the scope of budget estimates.

The Hon. TREVOR KHAN: Get on with doing some budget estimates instead of being lazy.

The Hon. ADAM SEARLE: It is not being lazy. It is about the integrity of the political system.

The Hon. PETER PRIMROSE: Why do you need to run interference for the guy? He is saying it is his friends. He is expressing sympathy for those people who have been pinged.

The Hon. ADAM SEARLE: You are the leader of the Liberal Party in the Parliament and you are the responsible Minister, are you not?

Mr MIKE BAIRD: That is what I understand.

The Hon. ADAM SEARLE: That is what I understand too. So why will you not come clean and tell us when your party will actually comply with the law?

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: You would have to ask the party, not the Premier.

Mr MIKE BAIRD: I will answer it.

The Hon. ADAM SEARLE: I wish you would answer it.

Mr MIKE BAIRD: You waved around the sheet, so my assumption is it is the same sort of donation that was raised in question time a few weeks ago.

The Hon. ADAM SEARLE: On 3 May, three months ago.

Mr MIKE BAIRD: Okay.

The Hon. ADAM SEARLE: And you have not disclosed who it is.

Mr MIKE BAIRD: Remember in the way you presented it what you failed to realise—obviously I have not got the paper, but if it is that particular issue it was the NSW Electoral Commission that redacted it and they redacted it because there was a wrong address.

The Hon. ADAM SEARLE: Yes, but that was three months ago and they said it was to be corrected by the Liberal Party. It has not been done.

Mr MIKE BAIRD: How do you know that?

The Hon. ADAM SEARLE: We got an email from the Electoral Commission.

Mr MIKE BAIRD: Did you? Do you want to table it? Can I see it?

The Hon. ADAM SEARLE: I do not have it on me. You had dinner with the person. Will you not disclose who the donor is? Or does it fall into the same category: it is somebody else's responsibility?

Mr MIKE BAIRD: You have just done yourself over because you have just admitted you have not got the details, you have not checked. This is the same issue as three months ago. It was from the Electoral Commission that did it. If it is that event, there were many hundreds at that event. Your conspiracy theory is on the basis that someone's wrong address was on a donation. You are going to have to do a bit better than that.

The Hon. ADAM SEARLE: You keep saying it is somebody else's responsibility. You are the Minister responsible for the Electoral Commission, you are the leader of the Liberal Party in the Parliament and you are constantly hiding the source of the donations from the 2011 election.

Mr MIKE BAIRD: Let me run this through to its logical conclusion. The honourable member thinks that it is my role and job to run down to the NSW Electoral Commission to make sure that every single address that comes against every single donation is correct.

The Hon. ADAM SEARLE: No, it is your job to be accountable for the actions of your agency and your party. You are just hiding the source of these donations. It must be pretty stinky for you to keep hiding them for five years.

Mr JEREMY BUCKINGHAM: It is probably Dick Honan and you probably took them too.

Mr MIKE BAIRD: You do not even know whether that has been corrected. Again, that would be a matter for the Electoral Commission and the party.

The Hon. ADAM SEARLE: It had not been corrected as at 29 August. That was only a couple of days ago.

Mr MIKE BAIRD: Who told you that?

The Hon. ADAM SEARLE: Staff have checked with the Electoral Commission.

Mr MIKE BAIRD: Just then?

The Hon. ADAM SEARLE: No, on the 29th.

The Hon. PENNY SHARPE: Premier, are you not concerned that there is a mystery donor that you obviously know the name of—

Mr MIKE BAIRD: I do not.

The Hon. ADAM SEARLE: You do not know who you had dinner with?

The Hon. PENNY SHARPE: —and that after all the tears of concern about transparency you have been unable to provide that to the Electoral Commission?

Mr MIKE BAIRD: It is a matter for the party and the Electoral Commission. As I said, if it is the same issue it is a matter—

The Hon. PENNY SHARPE: This is someone you know the identity of and you are not prepared to unveil it.

Mr MIKE BAIRD: I do not.

The Hon. PENNY SHARPE: It is someone you had dinner with and you do not know who it is?

Mr MIKE BAIRD: As I told you, if it is the event we are talking about I think it was a large lunch where there were many people that attended. But again, if it is the one it was a matter of the wrong address and, yes, that address should be fixed up.

The CHAIR: Can we move on to another line of questioning?

Mr MIKE BAIRD: Has the party done it? Has the Electoral Commission done it? You can ask them.

The Hon. ADAM SEARLE: To be clear, you think it is okay for your party to refuse to disclose the list of donors as required by law for five years?

Mr MIKE BAIRD: No. Incorrect.

The Hon. TREVOR KHAN: Mr Chair, he is cavilling with your direction.

The Hon. ADAM SEARLE: What are you doing to fix it? Exactly what are you doing to fix it?

Mr MIKE BAIRD: In relation to what?

The Hon. ADAM SEARLE: In relation to the non-disclosure to the Electoral Commission of the donations that the commission found had not been disclosed.

Mr MIKE BAIRD: That is a question for the party.

The Hon. ADAM SEARLE: It is not your responsibility?

Mr MIKE BAIRD: Ultimately the party has every obligation—as I have said time and time again here and previously—to comply with every aspect of the law.

The Hon. ADAM SEARLE: It is your name on the ballot paper. You are just dumping responsibility on this, are you not?

The Hon. TREVOR KHAN: I will take the point of order again. These matters are outside the realm of budget estimates. Twice now you have directed that matters be dealt with appropriately and that they move on to other questions. The Labor members have ignored your ruling. It is making a farce of this hearing. I invite you to make the Labor members understand that they should direct their questions to matters appropriate to budget estimates rather than this nonsense.

The Hon. PETER PRIMROSE: I would not have thought this guy actually needed your help to try to cover this up.

The Hon. BEN FRANKLIN: Mr Khan is concerned about the integrity of the process, which you clearly are not.

The Hon. PETER PRIMROSE: You are corrupting it by not allowing him to talk.

The Hon. BEN FRANKLIN: You are asking about issues that are entirely outside the remit of this estimates process.

The Hon. PETER PRIMROSE: Does he really need your protection?

The Hon. ADAM SEARLE: To the point of order: It is the Premier who is making a farce of the electoral disclosure laws by not requiring his party to comply with them.

The Hon. TREVOR KHAN: That is not a point of order.

The Hon. ADAM SEARLE: These gentlemen seem to be more concerned with what they call the probity of the committee process. They are not worried about the probity of the electoral laws.

The Hon. BEN FRANKLIN: How about the budget, Adam?

The Hon. SCOTT FARLOW: How about you talk about the Government of New South Wales?

The Hon. ADAM SEARLE: They talk about transparency and fairness but they will not enforce the law because it might inconvenience their friends.

The Hon. BEN FRANKLIN: This is absurd and facile.

The Hon. ADAM SEARLE: So is the Premier's conduct.

The Hon. BEN FRANKLIN: You are better than this. You know it too.

The CHAIR: We are dealing with budget estimates. Can you return to budget estimates?

The Hon. ADAM SEARLE: Yes, and the Electoral Commission falls within the Premier's portfolio and the Premier has not given an adequate explanation about why the Liberal Party has not been made to comply with the electoral law. The Premier talks about transparency and improvements in the disclosure laws but he will not enforce it against his own party.

The CHAIR: Mr Searle, the Premier is not representing the Liberal Party here.

The Hon. ADAM SEARLE: He is the leader of the Liberal Party in Parliament. He is the Minister for the Electoral Commission.

The CHAIR: No, he is appearing here as the Premier.

The Hon. ADAM SEARLE: He is the Minister for the Electoral Commission. The Electoral Commission is not enforcing the law against his party and he has not explained why.

The Hon. TREVOR KHAN: Mr Chair, are you going to allow this flouting of your directions?

The Hon. PETER PRIMROSE: He has already expressed sympathy for those people who have been pinged. I think we have the right to ask some questions of him in relation to this matter.

The Hon. TREVOR KHAN: Mr Chair, I invite you to enforce your own rulings.

The CHAIR: Most party leaders have no idea as to who makes donations and where they come from.

The Hon. PETER PRIMROSE: But not if they have dinner with them.

The Hon. ADAM SEARLE: Mr Chair, as if we would be allowed to get away with this kind of approach.

The Hon. PENNY SHARPE: Is this someone he had dinner with?

The Hon. PETER PRIMROSE: Yes, he had dinner with them.

The Hon. PENNY SHARPE: Premier, I have some questions that I would like to ask you.

Mr MIKE BAIRD: Mr Searle, you have worked very hard. I hope you got your grab up, mate.

The Hon. PENNY SHARPE: Premier, can we move on?

The CHAIR: Are there any other questions on the budget estimates?

The Hon. PETER PRIMROSE: Plenty of them.

The Hon. PENNY SHARPE: There was a 12-month review of the operation of the publication of ministerial diaries, was there not?

Mr MIKE BAIRD: Yes.

The Hon. PENNY SHARPE: You are aware that the review made 10 recommendations in relation to the change of the system?

Mr COMLEY: I am just finding the document. Yes, I am familiar with the review.

The Hon. PENNY SHARPE: There were 10 recommendations. You would recall that a media report stated that a spokesperson for your office said that you had accepted all the recommendations in the review?

Mr MIKE BAIRD: That is my understanding, yes.

The Hon. PENNY SHARPE: Have all of those recommendations been implemented?

Mr COMLEY: I am just trying to find the document. To the best of my knowledge there was no objection to the recommendations so I have no reason to believe that they have not been implemented. I am just seeing whether I have any advice to the contrary, but that is my understanding.

The Hon. PENNY SHARPE: Basically six of the recommendations went to the Premier's memorandum around the operation of the disclosure of ministerial diaries. I can take you through them but if you have them in front of you I will not take up the Committee's time. I can give you a copy of them if you would like me to?

Mr COMLEY: That would be good, thank you.

The Hon. PENNY SHARPE: That series of recommendations go directly to amending the Premier's memorandum in relation to the disclosure of diaries. Has the Premier's memorandum been amended as recommended by this report and as you say accepted by the Government?

Mr COMLEY: Let me just check.

Mr MIKE BAIRD: We can take it on notice.

The Hon. PENNY SHARPE: Can I give you a copy of what I have printed off from the website, which is the memorandum? It clearly shows that none of those amendments have been made and there have been no amendments made to the memorandum since 27 June 2014, when it was initially put out.

Mr COMLEY: I am not disputing a word.

The Hon. PENNY SHARPE: I am happy to give you a copy of it. It is right here.

Mr COMLEY: No. My understanding clearly though is that the practice has been amended with the recommendations from the review. We will have to make sure the memorandum is revised but the current practice is in line with the recommendations as they are from the review.

The Hon. PENNY SHARPE: Well the recommendations, which you now have in front of you, say the following:

[The recommendations] should be amended to clarify that any scheduled meeting with a Minister to discuss a matter that may be considered by the Minister, whether formally or informally, in his or her role as portfolio Minister or ... Cabinet [Minister], should be disclosed.

The other amendments go to clarifying policies and their relationships with the NSW Lobbyists Code of Conduct. A number of recommendations speak to amending specifically this document, yet this document has not been amended.

Mr COMLEY: Sorry, the advice I have just been provided is that they believe the memorandum has been amended. Certainly I am aware, because I am sometimes involved in providing advice on the issues here, that we are often providing clarification to members about meetings being required to be disclosed on the basis of these recommendations.

The Hon. PENNY SHARPE: Then why has the current memorandum that is on the website, as printed out today and several days before, not been replaced by any later document? This document does not replace any previous document. Compliance says that this document is mandatory. You are saying that the document has been amended yet it is not available anywhere for anyone to look at.

Mr COMLEY: The advice I have been given now is that it has been amended and people are now checking where that has been published. What I can say is that—

The Hon. PENNY SHARPE: Or whether it has been published?

The Hon. PENNY SHARPE: What I can say is that I am aware that the recommendations that were made in the report have been adopted and that is the current practice that has been applied to ministerial diary disclosure.

Mr MIKE BAIRD: I will make a point on this. The Leader of the Opposition promised that not only he but also shadow Ministers would publish their diaries. We are the first Government in this State to do it. We have disclosed more than 7,000 meetings.

The Hon. PENNY SHARPE: But you have not implemented the 10 recommendations from your own review?

Mr MIKE BAIRD: Have you disclosed your meetings?

The Hon. PENNY SHARPE: Premier, are you aware—

The Hon. SCOTT FARLOW: Deathly silence.

The Hon. PENNY SHARPE: Well he is actually the Premier. He does not ask Opposition members questions. I am happy to talk to him offline about a whole range of things.

The Hon. SCOTT FARLOW: He is highlighting the hypocrisy of the Labor Party.

The Hon. PENNY SHARPE: No, he is just embarrassed that he has failed to implement his own review.

The CHAIR: The Hon. Penny Sharpe will resume her questions.

Mr COMLEY: Mr Chair, I have just been handed a copy from the website that has the revised memorandum dated M20505, which says status active, which has the update based on the review. So I am not quite sure.

The Hon. PENNY SHARPE: As of when?

Mr COMLEY: This is from September 2015.

The Hon. TREVOR KHAN: Say sorry.

The Hon. PENNY SHARPE: Absolutely not, I can see nothing.

Mr COMLEY: I can see an issue that we have to check. It depends on the website but we have pulled it up from the website now.

The Hon. PENNY SHARPE: There is an issue and I wish to move to the next issue in relation to the publication of diaries. There is nothing in the guidelines that says there is a provision for updating your diaries if you fail to disclose, is that right?

Mr COMLEY: The obligation is on Ministers to declare any meeting that occurred in their schedules.

The Hon. PENNY SHARPE: And there is a time frame for that?

Mr COMLEY: Is it done once a quarter?

The Hon. PENNY SHARPE: Within a week at the end of each quarter, is that correct?

Mr COMLEY: That is when they are meant to be declared, yes.

Mr COMLEY: You are aware that Minister Speakman has updated his diary some nine months after a meeting with a developer in relation to a matter at Heathcote?

Mr COMLEY: I am not aware of that.

The Hon. PENNY SHARPE: Premier, are you aware of that?

Mr MIKE BAIRD: No.

The Hon. PENNY SHARPE: Premier, I think you are aware of that because I have a quote which says, "A spokesman for Mr Baird said the Minister has updated the relevant diary disclosure as is appropriate."

Mr MIKE BAIRD: That is fine.

The Hon. PENNY SHARPE: You are not aware of that?

Mr MIKE BAIRD: There is nothing to stop Ministers from updating their diary disclosures but I find it—

The Hon. PENNY SHARPE: But the guidelines say that they are required to update their diary within a week at the end of the quarter, is that correct?

Mr MIKE BAIRD: Obviously sometimes you might get to an event or you see something and you then think that might be something I need to update or that might be something that was omitted in a particular return. These things can happen. But I find it a bit rich that the Labor Party is going to come in here and question ministerial diaries. How many ministerial meetings did you disclose in 16 years?

The Hon. PENNY SHARPE: That is not the question.

Mr MIKE BAIRD: I will give you an answer.

The Hon. PENNY SHARPE: You are the Premier.

Mr MIKE BAIRD: Zero.

The Hon. PENNY SHARPE: You have made a big fuss about transparency and these diaries. You have got Ministers who are updating their diaries outside the time frame over serious meetings with developers—

Mr MIKE BAIRD: Let me tell you why it is important. I will give you an example of the transparency it gives. The reason that we do this is that there needs to be accountability. During the time of the debate around container deposits the beverage industry undertook to meet a number of Ministers and that logically raised questions. Why is the beverage industry going to—

The Hon. PENNY SHARPE: That is not my question.

Mr MIKE BAIRD: But I am telling you that unless you publish the diaries you would not be aware of that issue and there was some comment around that time.

The Hon. PENNY SHARPE: But that is not my question. I think that it is a good thing that you publish the diaries but what I am inquiring about—

Mr MIKE BAIRD: Great.

The Hon. PENNY SHARPE: —is whether it is a reasonable thing that your Ministers are not adhering to your own guideline about reporting all of the relevant meetings they are having with people in a timely fashion.

Mr MIKE BAIRD: They are.

The Hon. PENNY SHARPE: So there can be some accountability about that?

Mr MIKE BAIRD: They are. If they become aware that a particular meeting was not, which is obviously the case you are talking to—

The Hon. PENNY SHARPE: I put it to you, Premier, that Minister Speakman only changed this once he got inquiries from local media and pressure from local residents. Oh, I must put in there my meeting with a developer over a heritage site in Heathcote. Do you think that is reasonable?

Mr MIKE BAIRD: I think what is entirely reasonable and appropriate is that we are the first government to introduce disclosure of meetings.

The Hon. PENNY SHARPE: But it is okay if your Ministers do not actually adhere to it.

Mr MIKE BAIRD: Obviously, Ministers are required to adhere to it and they are.

The Hon. PENNY SHARPE: But they do not.

The CHAIR: We will move on to Mr Buckingham.

Mr JEREMY BUCKINGHAM: Premier, can you assure the Committee that while he was Deputy Premier and a Minister, Andrew Stoner was not subject to a successful blackmail or sextortion attempt, that he at all times accorded with the ministerial code of conduct and that at no time did these allegations come to the attention of you, members of your Cabinet or the Department of Premier and Cabinet?

Mr MIKE BAIRD: I have spoken publicly about this before. That is my understanding. I was not aware until after he had left his position.

Mr JEREMY BUCKINGHAM: You were not aware of what?

Mr MIKE BAIRD: Of the issue that you are questioning.

Mr JEREMY BUCKINGHAM: Would you commit here to investigate whether or not that is the case, that he may have been subject to a blackmail and extortion attempt while he was the Deputy Premier and a Minister?

Mr MIKE BAIRD: In relation to what? What is your specific question?

Mr JEREMY BUCKINGHAM: The question is: Would you investigate whether or not he accorded to the ministerial code of conduct by informing you and the Cabinet that he was the subject of a sextortion attempt?

Mr MIKE BAIRD: Ultimately it is a matter for him. There are no government policy issues here. That, as I understand it, was a personal issue which he has spoken about. We only became aware of it post his decision to leave.

Mr JEREMY BUCKINGHAM: So you can assure the House that if that was the case it did not happen while he was a member of Cabinet or—

Mr MIKE BAIRD: That is a matter for him.

Mr JEREMY BUCKINGHAM: You do not think that is a matter of the integrity of the Government whether or not your Ministers are according to the ministerial code of conduct?

Mr MIKE BAIRD: The question is: What is it he has done in relation to the impact on the Government?

Mr JEREMY BUCKINGHAM: That is the question, is it not, because extortion can take all types of forms. It is an open question, is it not, as to whether or not he acted with probity at all times and was not subject to extortion and potentially participated in Cabinet decisions or the like under duress?

Mr MIKE BAIRD: You are making a number of assumptions. I have spoken previously about this. It is a matter for him personally. I was not aware of the issue until after he had left his official position and, accordingly—

Mr JEREMY BUCKINGHAM: And you will not investigate it further?

Mr MIKE BAIRD: I do not see the reason to investigate it further.

Mr JEREMY BUCKINGHAM: Have you ever seen a frack? Have you ever seen a frack up close?

Mr MIKE BAIRD: As in actually physically there?

Mr JEREMY BUCKINGHAM: Yes, a physical frack.

Mr MIKE BAIRD: I have seen it, I understand it.

Mr JEREMY BUCKINGHAM: When you say you have seen a frack, what do you mean by that?

Mr MIKE BAIRD: I see how the process works.

Mr JEREMY BUCKINGHAM: You see how the process works but have you seen a frack?

Mr MIKE BAIRD: Not personally right there.

Mr JEREMY BUCKINGHAM: Have you seen a coal seam gas well?

Mr MIKE BAIRD: Yes.

Mr JEREMY BUCKINGHAM: Where did you see a coal seam gas well?

Mr MIKE BAIRD: A few across Queensland and New South Wales.

Mr JEREMY BUCKINGHAM: Where in New South Wales did you visit a coal seam gas operation?

Mr MIKE BAIRD: I have not visited an individual operation; I have seen the wells.

Mr JEREMY BUCKINGHAM: Physically you have not seen them?

Mr MIKE BAIRD: Correct.

Mr JEREMY BUCKINGHAM: You have seen them on TV?

Mr MIKE BAIRD: Correct.

Mr JEREMY BUCKINGHAM: A bit suss, mate. So you have never seen a coal seam gas well, you have never seen a frack and you think they are safe.

Mr MIKE BAIRD: On the best advice, and that is what the Chief Scientist says.

Mr JEREMY BUCKINGHAM: Do you think, seeing as you are considering this as an industry that is great for New South Wales, pivotal to economic development, you should go and have a look at a coal seam gas operation, an unconventional gas operation?

Mr MIKE BAIRD: You would criticise me for going if I did.

Mr JEREMY BUCKINGHAM: Would you commit here to tour one with me—to come and have a look with some of the farmers? Maybe some of your staff? I can take you on a trip with Santos to have a look.

Mr MIKE BAIRD: I think that is a reasonable request. I am happy to do that—but not necessarily with you.

Mr JEREMY BUCKINGHAM: I would not want to go with you either. You are assured by the Chief Scientist that it is perfectly safe and you are happy to see the industry develop across New South Wales. The Government is saying that it is about to release its strategic release framework. So you think that there are significant parts of the State, according to the right geology and the Chief Scientist's recommendations being implemented, where this coal seam gas industry should develop?

Mr MIKE BAIRD: Yes, I mean the Chief Scientist, I take her word. She has looked at it in some detail and relied on international evidence and her conclusion is it can be done safely.

Mr JEREMY BUCKINGHAM: Can you give the Committee any indication of where those areas may be where coal seam gas should go ahead?

Mr MIKE BAIRD: That is obviously to be determined.

Mr JEREMY BUCKINGHAM: And when will that be determined?

Mr MIKE BAIRD: Through the appropriate planning processes.

Mr JEREMY BUCKINGHAM: You held a special commission of inquiry into the greyhound industry because of concerns about malpractice and cruelty. Do you think it is acceptable for your health Minister to be doing everything she possibly can to avoid a special commission of inquiry into the chemo dosing scandal that has affected hundreds if not thousands of people in New South Wales?

Mr MIKE BAIRD: That is being investigated in some detail. Obviously the Chief Cancer Officer of the State is overseeing that. We have had the first part; the second part comes in September and we will wait to see what comes back from those recommendations. But, clearly, it is an incredibly concerning issue—the health Minister has articulated that; it should not happen—and we obviously need to wait for that final report. But it is being investigated by a very pre-eminent individual.

Mr JEREMY BUCKINGHAM: But the Parliament has already initiated a parliamentary select committee, the terms of reference of which were written by Minister Skinner's office. Do you think that is appropriate considering my initial question that you had a special commission of inquiry into the greyhound industry? Why is a parliamentary inquiry appropriate for such a technical matter relating to the potential deaths of and recurrence of cancer in hundreds of patients in the public health system of New South Wales?

The Hon. BEN FRANKLIN: An inquiry that was unanimously supported by the Legislative Council—unanimous.

Mr JEREMY BUCKINGHAM: No it was not; I voted against it. You will have to retract that and apologise.

The Hon. BEN FRANKLIN: It is not on the record.

Mr JEREMY BUCKINGHAM: Yes, it is on the record—check the *Hansard*. I invite you to withdraw.

The Hon. BEN FRANKLIN: If that is the case, I do.

Mr JEREMY BUCKINGHAM: Why is a parliamentary inquiry okay, Premier?

Mr MIKE BAIRD: The Parliament can choose to have any inquiry it wants. The Parliament has decided to have an inquiry, but Professor David Currow is investigating this as we speak.

Mr JEREMY BUCKINGHAM: But the community has said overwhelmingly that it wants a serious inquiry with the capacity to compel witnesses, to get the evidence it needs and also to protect witnesses. Do you think a parliamentary inquiry is appropriate? In South Australia they had a special commission of inquiry for a similar but far smaller incident. Why is it that Minister Skinner is so keen and is actually writing the terms of reference? Is that appropriate?

Mr MIKE BAIRD: The Minister has not ruled out taking additional action. David Currow is looking at this in some detail, and I do not think you are questioning his integrity or pre-eminence.

Mr JEREMY BUCKINGHAM: Absolutely not.

Mr MIKE BAIRD: He will be reporting on this. We have already introduced some measures in relation to that. We have obviously introduced appropriate electronic prescription so that where dosages are outside norms they are triggered and people are made aware of that, but also the implementation of teams ensuring the appropriate dosages are used. So there is more accountability coming to the system. We have to do everything we possibly can and we will wait for the professor to bring down his final report. If we need to take further action we will, because we also are systematically trying to work through previous patients across the State and ensure that there are not wider-spread issues. At this stage there do not appear to be, but I can assure you we will take every action we possibly can to ensure that not only do we deal with this but that it does not happen again.

The CHAIR: On that question, as you know there have been a number of tragic cases in our hospital system, deaths of infants and others. What process is your Government putting in place to ensure that errors that put patients' lives at risk will not occur in the future when people are in the care of our health department?

Mr MIKE BAIRD: They are just horrific incidents, Mr Chair. The health Minister has expressed her condolences to the families involved and is doing everything to ensure that it does not happen again. Officers have gone across the State to ensure that every gas installation is in order and that new gas installations have independent verification. So that process has been completed. Obviously as part of the analysis at the hospital, there is the question of the governance and implementation to ensure that the appropriate oversight of systems and procedures is in place to ensure that it does not happen again. So steps have been taken and exist to ensure that further events do not occur. It has certainly been a tragic mistake.

The CHAIR: Going to a different area. I have had a lot to do over many years now with the Coptic churches in Sydney. As you know, they come from Egypt. Their first church was established in Sydenham and that church has been under the control of the Marrickville council but it has fallen into serious disrepair. Minister Speakman put it on the temporary heritage list, which gave it some protection but the Heritage Council has now rejected that classification, so it is in limbo.

Is there any way in which the Government could investigate what support it could give to the church building being restored and perhaps becoming a museum, as this is the first Coptic church in Australia and, I understand, the first Coptic church outside Egypt. I spoke in that church many years ago. It is a famous church and prior to the Coptic church taking it over, it was a war memorial church and the front steel gates are a memorial to the ex-servicemen of the Sydenham area. It is a major building.

Mr MIKE BAIRD: I am not aware of the details around that. I will take it on notice.

The CHAIR: I can give you more information after the hearing.

Mr MIKE BAIRD: If you can give me the information then I will take it up with the Minister.

The CHAIR: The next issue has been raised with the education Minister. There is a serious situation in New South Wales concerning the capacity of our government schools. I understand that the 800 public schools in New South Wales are operating at 100 per cent capacity or more and that is the problem I wish to address. At Orange Grove Public School the students outnumber spaces by more than 60 per cent and at Bondi Public School they outnumber spaces by 40 per cent. What action is the Government taking to correct the overcrowding in public school accommodation?

Mr MIKE BAIRD: I missed that, Mr Chair. Can you repeat that?

The CHAIR: I give the example of two schools but there are many others. At Orange Grove Public School the students outnumber spaces by 60 per cent. There is a set number of spaces and the school is over-occupied by students. The same thing has happened at Bondi Public School where it is 40 per cent over its capacity.

Mr MIKE BAIRD: As to those two schools, I understand that the Parliament has worked with Orange Grove in order to free up space. That school now has 18 permanent teaching spaces and no demountables. So

they have been provided with some additional support. I am advised that that is as at 31 August. It has basically returned to its utilisation at about 100 per cent. That has happened at Orange Grove. Did you say Bondi as well?

The CHAIR: Yes, Bondi Public School.

Mr MIKE BAIRD: A similar thing. They have added eight permanent classrooms and they have also reduced the out-of-area enrolments, which has brought the student numbers back to just under 100 per cent. Bellevue Public School is nearby and is undergoing a major upgrade that will help with the capacity and enrolment pressures at Bondi Public School. So the Government has worked with those schools across all the issues.

The CHAIR: Thank you for that prompt action. Another area of concern is the registered training organisations [RTOs] in New South Wales which are being used to illegally bring students into the country and misuse taxpayers' funds when the students are clearly not doing the courses that they are signed up to do. It may be Federal funding.

Mr MIKE BAIRD: As I am advised, most of the issues with the RTOs relate to the Commonwealth loan program where students take out the loan but they are not part of Smart and Skilled. I am advised that there has only been one where there has been a Smart and Skilled contract and that was terminated and the student has been assisted by the department to find a new training program. So, beyond the advice I have here, it has not impacted beyond just a single student at this point.

The CHAIR: Do Opposition members have any further questions?

The Hon. ADAM SEARLE: Premier, we have been discussing the non-disclosure by your party of electoral donations going back five years. The Labor Party has committed to implementing a regime of real-time disclosure of donations. Will you match that commitment and, if so, when will you deliver the implementation of real-time electoral funding disclosure?

Mr MIKE BAIRD: As you know, there is an agreement with the joint standing committee on this issue and I have supported that and we will be ensuring that. At the moment, as I understand it, the Electoral Commission is working on real-time disclosures and the requirements and processes. So yes, I will be supporting that and we want to bring it into effect.

The Hon. ADAM SEARLE: Can we expect legislation on that this year?

Mr MIKE BAIRD: There are a number of things we will have to do in response to that joint standing committee and legislation will be part of that. And my hope is that that is actually done on a bipartisan basis.

The Hon. ADAM SEARLE: We will see what the legislation looks like. Premier, last year I asked you some questions about the Liberal Party campaign in 2015 for East Hills and you took the questions on notice. You responded that those matters were being investigated. You will be happy to know that a prosecution has been commenced in relation to that matter. That brings us to this year. My colleague the Hon. Lynda Voltz, on 4 December 2015, lodged a written complaint to Mr Colin Barry at the Electoral Commission concerning alleged serious breaches of the Federal funding legislation. They came to light following the declarations of expenditure—electoral spending in excess of the legislative cap and failure to operate a proper bank account, among other issues, in relation to the Liberal Party campaign in East Hills. She has not received any response from the Electoral Commission. Can you find out where that investigation is up to or whether there is an investigation and report back to us?

Mr MIKE BAIRD: Obviously the Electoral Commission can respond in relation to that.

The Hon. ADAM SEARLE: The complaint was made in December last year and the person making the complaint—a member of Parliament—has not even received an acknowledgement from the Electoral Commission. Can you take that up as the Minister responsible for the Electoral Commission, as you did last year?

Mr MIKE BAIRD: Has the member taken it up and asked why there has been a delay? Is it related to the court case? I do not know.

The Hon. ADAM SEARLE: She has made the complaint, she has received no response from the Electoral Commission, so as the responsible Minister—

Mr MIKE BAIRD: So she has followed it up?

The Hon. ADAM SEARLE: She has made a complaint and she has received no answer from the Electoral Commission.

The Hon. TREVOR KHAN: The answer is no, she has not.

The Hon. ADAM SEARLE: Okay, if you like take it on notice. If you do not take these matters seriously Premier—

The Hon. SCOTT FARLOW: It is an independent organisation.

The Hon. BEN FRANKLIN: The Premier asked whether the member had followed it up.

The Hon. ADAM SEARLE: Last year the Premier took questions on notice and chased them up, and gave a response.

The Hon. BEN FRANKLIN: The Premier asked for further information, which you did not provide.

The Hon. ADAM SEARLE: I can provide the Premier with a copy of the complaint.

Mr MIKE BAIRD: All I am trying to determine is whether the member sent the letter and followed up with a letter or a phone call. That seems an extraordinarily long period of time given the level of concern. It would be logical to follow up.

The Hon. ADAM SEARLE: I am asking, will you take it on notice?

Mr MIKE BAIRD: There is a level of independence. I can make the Electoral Commission aware that this Committee is concerned in relation to that letter and ask it to respond. I can make it aware of the issue and it is up to them to respond.

The Hon. ADAM SEARLE: In the Independent Commission Against Corruption report handed down a couple of days ago, chapter 12 dealt with the structure of the Liberal Party and found that the Liberal Party is governed by a state council and its affairs are managed by a state executive.

Mr MIKE BAIRD: What part of the budget papers is this?

The Hon. ADAM SEARLE: It relates to your administration of the probity of the political system through the Electoral Commission.

The Hon. BEN FRANKLIN: That is a pretty long bow.

The Hon. ADAM SEARLE: Are you aware of that?

The Hon. TREVOR KHAN: Point of order: It is outside the scope of a budget estimates hearing.

The Hon. ADAM SEARLE: Premier, are you aware that the Lobbying of Government Officials Act provides—

The CHAIR: There is a point of order.

The Hon. ADAM SEARLE: To the point of order: It is not as it relates to the Independent Commission Against Corruption. There has been a report. There is a wide latitude given in budget estimates hearings to ask about affairs of the Government that relate to matters within a Minister's portfolios. We have long abandoned the need to point to a budget line item.

The Hon. TREVOR KHAN: I have not asked for that. There has to be a scintilla to do with government.

The Hon. ADAM SEARLE: There is.

The Hon. TREVOR KHAN: You are asking questions about structures of the Liberal Party.

The CHAIR: It is the structure of the Liberal Party, not the Premier's office or department.

The Hon. ADAM SEARLE: Premier, are you aware of the complaint made to the New South Wales Electoral Commission by former Senator Michael Baume about the activities of registered lobbyists Michael Photios and Nick Campbell and their activities in the Liberal Party as being in conflict or inconsistent with their registration?

Mr MIKE BAIRD: There has been a lot of public comment around that issue.

The Hon. ADAM SEARLE: Can you tell us where that complaint is up to in relation to the investigation by the Electoral Commission?

Mr MIKE BAIRD: You can refer it to the Liberal Party.

The Hon. ADAM SEARLE: I am asking you as the Minister responsible for the Electoral Commission.

The Hon. BEN FRANKLIN: The Electoral Commission is an entirely independent body.

The Hon. ADAM SEARLE: I am not asking the Premier to influence its operations, I am asking where that matter is up to. Is it being investigated by the Electoral Commission? Has it been rejected by the Electoral Commission?

Mr MIKE BAIRD: As you know the Electoral Commission is established so that it is independent. We have given it more powers and resources to do its job.

The Hon. ADAM SEARLE: It is not here, so I am asking you as the responsible Minister to undertake to find out whether the Electoral Commission is investigating that complaint.

Mr MIKE BAIRD: I can make the Electoral Commission aware of the concern of the Committee in relation to this issue.

The CHAIR: The Electoral Commission is not required to give you a running list of what its activities are.

The Hon. ADAM SEARLE: That is correct, Chair. But, in the past when we have asked the Premier to raise a matter with the Electoral Commission, in terms of information, the Premier has done so without the level of complaint and resistance he has shown this year.

The Hon. SCOTT FARLOW: The Premier is not complaining at all.

Mr MIKE BAIRD: I am not complaining.

The Hon. TREVOR KHAN: You must have had an unhappy childhood.

The Hon. ADAM SEARLE: Untrue.

The Hon. PETER PRIMROSE: We only have a couple of minutes left.

The Hon. TREVOR KHAN: We will do our best.

The Hon. PETER PRIMROSE: Yes. You would be aware, as the perpetrator of this problem, that a number of councils are not going to election in New South Wales until 9 September 2017. A number of other councils are going on 10 September this year. Can you advise the Committee what, if any, special provisions you made to ensure that there is no confusion involving voters not attending pre-polls about whether elections are actually on in their areas?

Mr MIKE BAIRD: There are a number of specific strategies being employed to deal with that. There is some uncertainty because there are elections in one area and not necessarily another. There is obviously an education component required as part of that. There are a number of strategies. I can take that on notice and provide you the details.

The Hon. PETER PRIMROSE: Premier, can you assure the citizens of New South Wales that all action is being taken to ensure that confusion has been kept to an absolute minimum?

Mr MIKE BAIRD: That is my understanding, yes.

The Hon. PETER PRIMROSE: One of the other concerns that has been raised, I ask it now so you can squash it, is that the elections may be delayed another year. One of the concerns expressed to me by a number of agencies and individuals is that they may be delayed until March 2018 and not be held in September 2017. Can you assure the people of New South Wales that is not going to occur?

Mr MIKE BAIRD: On the information and advice I have that is not the case. I have seen nothing to suggest anything other than they can proceed as planned.

The Hon. PETER PRIMROSE: In 2014 your budget committed half a million dollars to develop a Western Sydney tourism events and conference strategy, is that strategy being prepared?

Mr MIKE BAIRD: There are a number of strategies that have been rolled out. In terms of the timing of that I can get the details for you.

The Hon. PETER PRIMROSE: Will that strategy be released?

Mr MIKE BAIRD: Of course it will be. Let me get the details as to exactly where that is up to and I will take it on notice.

The Hon. PETER PRIMROSE: When will the Government provide an urban growth plan for South Western Sydney specifying how jobs will be created in that part of Western Sydney?

Mr MIKE BAIRD: The Greater Sydney Commission is doing exactly that. Ultimately, the Greater Sydney Commission is looking at jobs, the associated infrastructure and residential development. For the first time we are bringing all of those together. That is exactly what the Greater Sydney Commission will be doing.

The Hon. PETER PRIMROSE: When do you expect that report will be available?

Mr MIKE BAIRD: It is meeting as quickly as its members can. The first priority is introducing and ensuring the metropolitan strategy, which will require it to engage with councils in relation to that. In terms of the current timing let me check with the Minister.

Mr COMLEY: The information I have is that the intention is to put out the draft district plans by the end of the year and they will then be available for consultation for a period of time before they are refined. That would cover the matters you spoke of, including where jobs are likely to be located and infrastructure requirements.

The Hon. PETER PRIMROSE: An issue that has been raised is with regard to a long-promised sporting centre of excellence in Campbelltown. Can you give us an idea of when that may be developed?

Mr MIKE BAIRD: I know there was some proposal in relation to that. Let me take that on notice.

The Hon. PETER PRIMROSE: Your commitment to settle 6,000 refugees from Syria and Iraq, can I ask how many men, women and children have been settled in New South Wales?

Mr MIKE BAIRD: I will get the number. I think it is about 1,200. Approximately 4,000 have come to the State, but the additional intake is about 1,200.

Mr COMLEY: Yes.

The Hon. PETER PRIMROSE: Premier, would you take this on notice too? Of the 100 public sector jobs promised for those refugees who arrived in Australia from December 2015, how many people have been employed?

Mr MIKE BAIRD: I can provide an update to the Committee on that.

The Hon. PETER PRIMROSE: Thank you.

Dr MEHREEN FARUQI: Premier, the New South Wales *State of the Environment 2015* report states that the number of species considered at risk of extinction continues to rise. There are currently 999 species listed as threatened under the New South Wales threatened species legislation. The indicator within the report for the environmental trend for threatened species is poor. Given that, and given that climate change will further exacerbate the issue, are you concerned about the declining state of biodiversity in New South Wales?

Mr MIKE BAIRD: Yes, I am concerned about both issues. I am sure you are aware of the Saving our Species program.

Dr MEHREEN FARUQI: I am.

Mr MIKE BAIRD: That is a significant investment.

Dr MEHREEN FARUQI: If you are concerned, why is your Government pushing ahead with the massive weakening of environmental laws and land-clearing laws in our State?

Mr MIKE BAIRD: I do not agree with that summary. You said that the results have been poor.

Dr MEHREEN FARUQI: It is declining, but weakening the laws will not improve that decline.

Mr MIKE BAIRD: Look at what we are doing. We are putting a risk-based approach around it. We are saying that the protection of biodiversity and species is a State requirement, with State ownership, and that there is a benefit to the whole State, rather than putting that requirement on individual farms. Looking at it on a regional basis and investing in upgrading biodiversity—that is, by ensuring we are doing everything possible to improve and enhance it—is a big step forward. Our approach is to avoid, minimise and offset. It is a genuine offset. For the first time, in perpetuity, critical land and critical biodiversity will be set aside and protected forever. I have heard the concerns about Queensland. We have protection for endangered species and endangered areas. There is Commonwealth oversight, so there still needs to be Commonwealth approval. We are providing \$340 million—\$240 million for biodiversity and \$100 million for Saving our Species.

Dr MEHREEN FARUQI: I am aware of that. You also might be aware that there is overwhelming concern in the community, from scientists, ecologists and the community at large, about the proposed laws. Is the Government reconsidering some of the laws? When the Native Vegetation Act 2003 was brought in, it was overwhelmingly supported by environmental groups, as well as by New South Wales farmers. Both groups oppose the proposed laws. Would your Government consider supporting an inquiry into the proposed laws so that everyone can look at them and so that the process is transparent and there is a robust debate before the laws come into force?

Mr MIKE BAIRD: We have. We have put the proposals out for consultation.

Dr MEHREEN FARUQI: There have been 7,000 submissions but no-one has seen them—apart from the previous ones for the review, 80 per cent of which were opposed to the laws. If no-one has seen the submissions, how do people know what is going on? Those that have been revealed to us are overwhelmingly against the laws.

Mr MIKE BAIRD: That is part of the process. The bill has gone out for public consultation. We are getting feedback; submissions are coming in and they are being considered. The question goes back to you: If we are in a position where biodiversity is getting worse, is there the capacity for us to not only provide flexibility on the ground but also support the enhancement of biodiversity overall? Incentives are being provided. There is significant financial support. There are protections in there.

Dr MEHREEN FARUQI: I have read the laws in detail. You agree that biodiversity is getting worse. Are you aware that remnant, critically endangered woodlands in Sydney's south are going to be cleared tomorrow morning to make way for a parking lot for WestConnex? Would you commit to stopping that destruction tomorrow?

Mr MIKE BAIRD: There is an appropriate process—

Dr MEHREEN FARUQI: But there is not if remnant, critically endangered species are being destroyed tomorrow.

Mr MIKE BAIRD: For that and other matters there is an appropriate process. We consider all issues that are put forward.

Dr MEHREEN FARUQI: It cannot be appropriate to say on the one hand that biodiversity is declining and on the other hand to clear critically endangered species. How do you find that to be appropriate?

Mr MIKE BAIRD: I am taking your word for it. I do not have the facts before me. I assure you that every decision is weighed on the evidence that is put before us. I do not know whether significant offsets have been made in that case. I do not know the particular example. I assure you that we have responded, with this legislation, to the increase in threatened species numbers and the reduction in biodiversity. We have to improve that. The legislation is a genuine attempt by the Government to do that. The financial commitment to it speaks volumes. If the Government did not care about the issues you are presenting there would not be significant financial incentives. We asked an independent panel of eminent experts to put forward recommendations, which we have responded to.

Dr MEHREEN FARUQI: One of the people on the independent panel said that the reforms are not appropriate and that they are "retrograde changes that risk returning New South Wales to an era of unsustainable environmental damage by reinstating broad scale land clearing". That came from a member of the panel who is part of the Wentworth Group of Concerned Scientists. There are a lot of issues here.

The CHAIR: It is a fact that when the Native Vegetation Bill was introduced the New South Wales Farmers' Federation strongly opposed it and gave me 40 amendments to move, which I did for more than four hours. Does that bring back memories?

Mr MIKE BAIRD: This bill has not come through yet.

The CHAIR: I am talking about the original Act.

The Hon. BEN FRANKLIN: The Chair is correcting Dr Faruqi's misinformation

Dr MEHREEN FARUQI: That is not the case.

The Hon. TREVOR KHAN: That was a long time ago.

The Hon. SCOTT FARLOW: If the Chair moved the 40 amendments, he would probably know.

Mr MIKE BAIRD: Farmers have raised some concerns about the legislation. Their concerns will be considered as part of the deliberations on this bill. I am not familiar with the 2003 bill.

The CHAIR: They have concerns about the current one, but they also wanted some dramatic improvements to the native vegetation legislation, which is very restrictive.

Mr MIKE BAIRD: The farmers' argument is that they are one of the best groups of environmentalists. I believe it. They do everything possible to get the most out of their land. We want to ensure that the appropriate protections are in place for everything that needs to be protected and that we improve outcomes for the State overall.

The CHAIR: There is a lot of community concern about the announcement that the new trains being purchased will come from Korea and will not result in any jobs in New South Wales and that the steel may also come from Korea. Is the Government reviewing that order or is it fixed and cannot be changed?

Mr MIKE BAIRD: As part of the process for a contract like that for trains you go to market and you look for the best possible outcome. On balance this was the best possible outcome. As the Minister said at the time the cost was 25 per cent lower than others, which equates to hundreds of millions of dollars that could otherwise be put into health, education or other government services. Any decision like this is a balance. I know the Leader of the Opposition was talking up one of the other bidders in terms of the steel that will be provided. He was talking about a bidder who provides trains mostly made out of aluminium so therefore his arguments did not make a lot of sense.

More broadly, we are the biggest supporter of steel in this country; just ask the Australian Steel Institute. Our infrastructure program has provided a massive boost to domestic steel. About 90 per cent of the steel in the metro is domestic. We have more roads being built here than in the Australian Capital Territory, South Australia, Queensland and Victoria combined. We are providing a massive boost to local jobs through our existing infrastructure program. In the procurement process we need to get the best possible outcome, so the best product at the best price and a combination of consideration across all other factors. The impact on the economy is part of it and this contract does bring in 200 jobs in the provision of ongoing maintenance for these trains. As a balance we think that is a good thing for the State.

The CHAIR: Are you sure that the new trains will be built out of aluminium?

Mr MIKE BAIRD: No. The Leader of the Opposition was talking about one of the other bidders and the majority of trains they provide are made out of aluminium.

The CHAIR: What will the ones from Korea be made from?

Mr MIKE BAIRD: Mainly steel. The former Government had a similar contract and they were made in China and then brought here, so it is not new to the Opposition.

The CHAIR: There is also community concern about the conditions at Westmead Hospital. Do you have plans to upgrade Westmead Hospital?

Mr COMLEY: There are plans for Westmead.

Mr MIKE BAIRD: I find it interesting that in these estimates I have not received a question on health, education, transport or the economy from the Opposition so it is good to get a health question. Westmead is being upgraded; we have already announced a \$900 million upgrade which will provide a huge boost to the region. It is a very significant development that will create the number one health city. It will not only be a teaching hospital but also has research that is already there. The expansion of Westmead effectively will double the number of people working there. It is viewed not just Australia but across the world as one of the most exciting precincts. It is a huge opportunity.

The Hon. PETER PRIMROSE: Premier, you indicated that you are happy in future estimates to take questions in relation to health, education, transport and other matters rather than simply, as in the past, flip passing them to portfolio Ministers. Is my understanding correct?

Mr MIKE BAIRD: I have taken questions here today on those.

The Hon. PETER PRIMROSE: I am very happy because in the past you have said that is a matter for the portfolio Minister. It is on the record so we will see you next year.

Mr MIKE BAIRD: You have got me.

The CHAIR: That brings our questions to a conclusion. Thank you, Premier, and the secretary for attending.

(The witnesses withdrew)

The Committee proceeded to deliberate.