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GENERAL PURPOSE STANDING COMMITTEE No. 1

Tuesday 14 September 2010

Examination of proposed expenditure for the portfolio areas

PREMIER, REDFERN WATERLOO

The Committee met at 2.00 p.m.

MEMBERS

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

The Hon. L. A. Foley
The Hon. M. J. Gallacher
The Hon. K. F. Griffin

Dr J. Kaye
The Hon. T. Khan
The Hon. P. G. Sharpe

PRESENT

The Hon. K. K. Keneally, *Premier, and Minister for Redfern Waterloo*

Department of Premier and Cabinet
Mr B. O'Reilly, *Director General*

Redfern Waterloo Authority
Mr R. Wakelin-King, *Chief Executive Officer*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: I declare this hearing for the inquiry into the Budget Estimates 2010-11 open to the public. I welcome Premier Keneally and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolios of Premier, and Redfern Waterloo. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of the proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Premier, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers while at the table. I ask all present to please turn off their mobile phones.

The Committee has agreed to the following format for the hearing: the Premier portfolio to be examined from 2.00 p.m. until 5.15 p.m., and the Redfern Waterloo portfolio to be examined from 5.15 p.m. until 6.00 p.m. The House has resolved that answers to questions on notice must be provided within 21 days or as otherwise determined by the Committee. The Committee has not varied the 21-day time frame for answers to questions on notice. Transcripts of this hearing will be available on the website from tomorrow morning. 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 Parliament.

BRENDAN MICHAEL O'REILLY, Director General, Department of Premier and Cabinet, sworn and examined:

CHAIR: I declare the proposed expenditure for the portfolios of Premier and Redfern Waterloo open for examination. As there is now no provision for a Minister to make an opening statement before the Committee commences to ask questions, Premier, is there anything you would like to comment on?

Ms KRISTINA KENEALLY: No. I am happy to take questions from the Committee.

The Hon. MICHAEL GALLACHER: Premier, may I start by asking you a question I asked your predecessor last year. Do you agree that a stench of corruption surrounds your Government?

Ms KRISTINA KENEALLY: No.

The Hon. MICHAEL GALLACHER: Premier, you are aware of the comments by the Ombudsman last week in relation to integrity in government, and indeed about transparency and accountability. I quote the Ombudsman's words:

More than at any other time in my memory the people of NSW are concerned and worried about government accountability, decision making, openness and transparency—and of course integrity and standards.

Premier, what do you wish to say in relation to those comments by the Ombudsman?

Ms KRISTINA KENEALLY: I agree with the Ombudsman's comments: that openness, transparency and integrity are incredibly important to any democracy.

The Hon. MICHAEL GALLACHER: Do you believe, therefore, that all of those criteria are indicative of your government? Or is there something wrong in your government?

Ms KRISTINA KENEALLY: I believe that for a democracy to function at its best its elected members must uphold the principles of integrity, transparency, honesty and openness.

Ms KRISTINA KENEALLY: And do you believe, Premier, that the people of New South Wales believe those qualities are indicative of members of your Government?

Ms KRISTINA KENEALLY: I have spoken to this matter quite extensively on the public record since taking on the job of Premier. I stand by those comments. I uphold those values in my actions, and I expect the members in my Government to uphold them in theirs. Indeed, I expect that all members of Parliament will behave with honesty and integrity.

The Hon. MICHAEL GALLACHER: During the 15 months for which Mr Rees was Premier five Ministers either were sacked or resigned. You have been Premier for nearly nine months now. During that time four Ministers have gone, and now we have a fifth under a cloud. Do you believe that the words you have just said are in no way reflective of what is happening with your Government, and indeed the perception within the community of your Government?

Ms KRISTINA KENEALLY: Again, I have spoken quite extensively on the public record on the matters you have raised, and again I state what I have said before: I expect all members in my government to act with honesty and integrity. If they fail to do so, they will be unable to continue in a ministerial capacity, if indeed that is the capacity in which they serve. I might also add, in relation to the comments put forward by the Ombudsman, that I was not surprised that he upholds those values. However, I was surprised that he chose to make such comments in a public forum, given that he has met with me in my capacity as Premier and has not raised those particular views with me directly.

The Hon. MICHAEL GALLACHER: Would you believe, therefore, that the comments the Ombudsman has made are indicative of the despair he has, given his experience as a public official and the position he carries for New South Wales?

Ms KRISTINA KENEALLY: I think that is a question you should best put to the Ombudsman. I am not in a position to know his mind, or indeed his views on this matter, particularly given that at a one-on-one meeting he had with me he did not raise these particular issues.

The Hon. MICHAEL GALLACHER: But when the Ombudsman does make these public claims—which are indicative of what I consider to be despair on the part of a public official—have you at any stage since the Ombudsman made those comments picked up the phone or made an appointment to see the Ombudsman?

Ms KRISTINA KENEALLY: No, I have not. The Ombudsman is an independent public official. He has made some views available on the public record. I uphold and endorse his comments about the importance of integrity and honesty in a democracy.

The Hon. MICHAEL GALLACHER: Premier, is it more a case of your not wanting to know, rather than simply maintaining some distance between you and the Ombudsman? Surely, if you are true in what you have said about wanting to return integrity to government, when a public official makes those statements the first thing you should do is ring him to say, "Why have you made those statements publicly? What is the problem in New South Wales?" Why have you not done that?

Ms KRISTINA KENEALLY: The Ombudsman has the perfect right to raise those matters with me as the Premier. He has not done so.

The Hon. MICHAEL GALLACHER: Is it because you do not want to know the truth?

Ms KRISTINA KENEALLY: Of course not. As I have just said, the Ombudsman, as an independent public official, has the ability to put forward his views to government without fear or favour. As I have indicated to you, in a one-on-one meeting with the Ombudsman he did not raise these matters with me. Certainly, if the Ombudsman feels that this is such an important matter that it needs to have notice taken by the Premier, he is in a perfectly qualified position to either write to me or request a meeting with me to raise it with me directly.

The Hon. MICHAEL GALLACHER: So you do not show initiative. You said if he was so concerned he should seek a meeting with you. But surely you, leading a Government that is at best described as being in an absolute mess, should show the initiative and ring him?

Ms KRISTINA KENEALLY: In fact, Mr Gallacher, I would not share your characterisation of my inactions as Premier. Let me remind you that in circumstances where I have made a determination that Ministers in my Cabinet have not acted with the integrity that I expect I have sought and received their resignation. When I held the portfolio of Planning I instituted a series of reforms and changes in that portfolio that put in place greater transparency, particularly around the issues of political donations, particularly around depoliticising the Planning portfolio. So if you would like to make a characterisation that I am not acting with initiative I would invite you to examine the entirety of my ministerial record.

I return to the comments I made in relation to the Ombudsman. I absolutely endorse his views about integrity, about transparency, about openness and about honesty—I absolutely endorse them. I would also say that I fundamentally respect his independence. I also respect that he holds a position in which, if he seeks to do so, he can provide that full, frank and fearless advice directly to the Government. To date he has not done that.

The Hon. MICHAEL GALLACHER: Do you not think for one moment that the reason he did not do so in a frank, fearless and confidential way with the Government is because he has no confidence in your Government to actually listen and he had to speak publicly? And, surprisingly, you are still not prepared to ask him what the basis was for him making such an incredible statement? To be honest with you, I have never seen an Ombudsman make those sorts of comments about administration—ever.

Ms KRISTINA KENEALLY: Is there a question there?

The Hon. MICHAEL GALLACHER: Yes, there is a question.

Ms KRISTINA KENEALLY: Could you restate the question?

The Hon. MICHAEL GALLACHER: The question quite simply is: How can you seriously sit here and try to portray that everything is fine when that senior official, who represents the community, says something to the contrary and you are not prepared to find out what the basis for his statements are?

Ms KRISTINA KENEALLY: Again, I restate, I had a one-on-one meeting with the Ombudsman and in that meeting he did raise other matters that were important to him, and where the Government and the Ombudsman had in the past not always agreed. He does enjoy—in my view, and I have no reason to suspect otherwise—the opportunity to raise matters of concern to him directly with the Premier. In this instance, and on this matter, he has not done so.

The Hon. MICHAEL GALLACHER: Premier, in your role, what do you feel the impact of constant ministerial turnover is having not only on public administration but, indeed, confidence in New South Wales?

Ms KRISTINA KENEALLY: I have spoken quite extensively on the record on this matter. If it suits the Committee's time today I am more than happy to restate those comments.

The Hon. MICHAEL GALLACHER: The question, of course, is: What impact do you believe this is having on business, on families, on public servants? In the portfolio of Police, for example, we have had six Ministers for Police in four years. In the portfolio of Small Business, we have had seven Ministers for Small Business in three years. In the portfolio of Health, we have had five Ministers for Health in three years. With all due respect, you are sitting here and saying everything is fine in New South Wales and that you expect the utmost integrity in the performance of your Ministers, when you have got such a terrible track record of turnover and you now have an Ombudsman raising serious questions and you are not even prepared to say, "I need to talk to you to find out what is going on." Are you in the real world as the real Kristina or is it surreal Kristina?

Ms KRISTINA KENEALLY: Thank you for the question, Mr Gallacher. Let us take the first portfolio you raised: Police. When it comes to Police we have a record Police budget. We have just seen the recent crime statistics come down—all major categories of crime are stable or falling. This is a remarkable result for the New South Wales Police Force; a remarkable result that has been backed because the Government has supplied police with the funding and support to do the job they need to do to keep our community safe. I congratulate the Minister for Police and I congratulate the Commissioner of Police on these successful results. Another portfolio you raised was Health. Under the leadership of the Minister for Health, Ms Carmel Tebbutt, and under this Labor Government, not only do we have a record Health budget but, in fact, we have seen New South Wales leading the nation when it comes to emergency department performance and when it comes to elective surgery performance. So when you ask about what is real and what is not, Mr Gallacher, I would respectfully suggest that you look at the real data that is made readily available by independent experts.

The Hon. MICHAEL GALLACHER: Five Ministers for Health in three years, six Ministers for Police. Do you believe that is a good thing for public policy and good for those portfolios?

Ms KRISTINA KENEALLY: I have only ever asked the public to judge me and to judge my Government on the services that we deliver and the sorts of results that I have just provided to you. I am happy to speak even more fully on Police. We have record police numbers—15,556 authorised strength. Police numbers have increased by more than 20 per cent since Labor was elected. We have seen the rate of recidivism drop from 51 per cent of inmates returning to Corrective Services in 2000-01 to 45 per cent of inmates returning to Corrective Services in 2008-09. Mr Gallacher, I am pleased to go on in relation to the Police portfolio. I could move on in terms of the Health budget, which stands at a record \$16.4 billion. That, of course, represents a 192 per cent increase since the Coalition was last in office, and since 1995 nearly every major hospital has been rebuilt or upgraded—spending more than \$918 million on capital works just this year. Of course, Mr Gallacher, I am sure I do not need to remind you or the Committee about the significant achievement in the Council of Australian Governments health reform that has seen literally billions of dollars coming into the New South Wales Health system—a reform that the Leader of the Opposition has variously supported, opposed, supported and opposed.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, when a Minister changes what costs are incurred by the Government?

Mr O'REILLY: The normal arrangements would be, of course, the preparation of briefing material by the agencies who report to the Minister. There will also be the arrangements for the swearing in of the new

Minister, the appointment of ministerial employees, the appointment of department liaison officers to the Ministry, and some minor changes with letterhead and stationery items—that sort of thing.

The Hon. MICHAEL GALLACHER: How long have you been Director General?

Mr O'REILLY: In this current role?

The Hon. MICHAEL GALLACHER: Yes, sorry.

Mr O'REILLY: Nine months.

The Hon. MICHAEL GALLACHER: In the time you have been there can you indicate to the Committee what has been the cost to the Government of these ministerial changes, in terms of staff costs, redundancy, stationery et cetera?

Mr O'REILLY: Can I take that on notice so I can provide you with the accurate dollar value information?

The Hon. MICHAEL GALLACHER: Do you have an average cost that you work out for the budget every year?

Mr O'REILLY: No, I do not.

The Hon. MICHAEL GALLACHER: You do not?

Mr O'REILLY: No.

The Hon. MICHAEL GALLACHER: If I could turn to one inquiry in relation to Mr John Lee. Did you make the decision to dismiss Mr John Lee as the Director General of the Department of Premier and Cabinet? Who made the decision to move him on?

CHAIR: Just to clarify, Mr O'Reilly, you will take that question on notice?

Mr O'REILLY: Yes.

The Hon. MICHAEL GALLACHER: Who was it who made the decision to terminate Mr Lee?

Ms KRISTINA KENEALLY: That was a decision taken by me.

The Hon. MICHAEL GALLACHER: By you, Premier?

Ms KRISTINA KENEALLY: Yes, indeed.

The Hon. MICHAEL GALLACHER: How long was Mr Lee the Director General of the Department of Premier and Cabinet?

Ms KRISTINA KENEALLY: How long was Mr Lee in that position?

The Hon. MICHAEL GALLACHER: Yes.

Ms KRISTINA KENEALLY: I do not have that figure in front of me but I will undertake to provide that to you.

The Hon. MICHAEL GALLACHER: Would it be fair to say that he was appointed on 27 October and terminated in December 2009—a period of 14 months?

Ms KRISTINA KENEALLY: I am not in a position to confirm those dates.

The Hon. MICHAEL GALLACHER: Since you made the decision in relation to the termination of Mr Lee, perhaps you could tell the Committee what the cost of Mr Lee's termination was to taxpayers?

Ms KRISTINA KENEALLY: On his termination?

The Hon. MICHAEL GALLACHER: Yes, his redundancy?

Ms KRISTINA KENEALLY: I understand, based on the determination by the Independent Statutory and Other Officers Remuneration Tribunal, also known as SOORT, Mr Lee received a severance payout of \$363,770.

The Hon. MICHAEL GALLACHER: What was his income whilst he was working as a director general?

Ms KRISTINA KENEALLY: I do not have that figure.

The Hon. MICHAEL GALLACHER: My understanding is that it was in excess of \$500,000 a year. Is that correct?

Ms KRISTINA KENEALLY: I could not comment on what Mr Lee was paid. I do not have that information.

The Hon. MICHAEL GALLACHER: Premier, is it fair to say that if Mr Lee was paid in excess of \$500,000 as director general for the 14 months that he was there, he has a total package of over \$900,000 for 14 months?

Ms KRISTINA KENEALLY: Again, Mr Gallacher, you are presenting figures that I do not currently possess. I am not able to confirm or deny them.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee why Mr Lee was, in fact, terminated?

Ms KRISTINA KENEALLY: When I became Premier I decided I wanted to make a change to the leadership of the Department of Premier and Cabinet. I asked Brendan O'Reilly, an outstanding public servant of over 30 years experience, to return from extended leave and lead my department. Mr O'Reilly has previously been a Deputy Director General of the Department of Premier and Cabinet, he has been the Director General of Sport and Recreation and the Director General of the Department of Ageing and Disability. I am sure that many on the Committee and in the public would agree with me that he is more than qualified to lead the public sector.

The Hon. MICHAEL GALLACHER: The annual report 2008-09 shows Mr Lee receiving an annual remuneration to June 2009 of \$495,000. Would you like me to provide you with a copy of that?

Ms KRISTINA KENEALLY: I am certain that that information, which is on the public record, is available to you, as well as to anyone else on the Committee.

The Hon. MICHAEL GALLACHER: Were you aware when you made the decision to change direction in your office that the New South Wales taxpayers were going to see a termination payment of \$363,000?

Ms KRISTINA KENEALLY: May I make the distinction, Mr Gallacher, that the Department of Premier and Cabinet is not my office.

The Hon. MICHAEL GALLACHER: Were you aware when you made the decision to terminate Mr Lee that he would be entitled to such a redundancy?

Ms KRISTINA KENEALLY: I was aware that he would be entitled to a redundancy, yes.

The Hon. MICHAEL GALLACHER: You did so on the basis of a change of direction. It was a fairly expensive change of direction, given Mr Lee had been there for only 14 months?

Ms KRISTINA KENEALLY: I made a decision and I stand by it. I would say that Brendan O'Reilly is performing well in his role. He is well respected by the other directors general within Government and he has

overseen a number of significant changes within the public service and the reinvigoration of the New South Wales State Plan and the State Plan Cabinet Committee. He has been instrumental in the COAG health negotiations and in the delivery and implementation of the Metropolitan Transport Plan, and he has provided distinguished and well-respected leadership to the public service.

The Hon. MICHAEL GALLACHER: The question was about Mr Lee. Given that he has received over \$900,000 for 14 months work, are you aware that he is now on the board of Events New South Wales?

Ms KRISTINA KENEALLY: Yes, I am.

The Hon. MICHAEL GALLACHER: How much does he get paid in that position?

Ms KRISTINA KENEALLY: First of all, I would flag that he was on the board of Events New South Wales prior to the termination of his position.

The Hon. MICHAEL GALLACHER: Does he hold any other government positions in New South Wales that you are aware of?

Ms KRISTINA KENEALLY: I am not aware of that, but I will take that on notice and come back to you.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, are you aware of any other positions that Mr Lee holds?

Mr O'REILLY: No, I am not.

The Hon. MICHAEL GALLACHER: You are not aware of any positions he holds?

Mr O'REILLY: Only the Events board.

The Hon. MICHAEL GALLACHER: What position does he hold on the board—general board member?

Mr O'REILLY: As a member, yes, that is all.

The Hon. MICHAEL GALLACHER: Do you know how much he gets paid as a board member of Events New South Wales?

Mr O'REILLY: I would have to check the figure. I think it is about \$25,000 per annum.

The Hon. MICHAEL GALLACHER: Premier, do you believe that your final decision to release Mr Lee, even though he had been there for only 14 months, was a good financial decision for the people of New South Wales, given the payment he received?

Ms KRISTINA KENEALLY: Yes.

The Hon. MICHAEL GALLACHER: You stand by that?

Ms KRISTINA KENEALLY: Absolutely.

The Hon. MICHAEL GALLACHER: Had Mr Lee done anything wrong that warranted his removal?

Ms KRISTINA KENEALLY: I made a decision as to whom I wanted to head the Department of Premier and Cabinet when I came into the role of Premier. I have every confidence in Brendan O'Reilly. That is why I put him in this position.

The Hon. MICHAEL GALLACHER: You had no confidence in Mr Lee?

Ms KRISTINA KENEALLY: As the Premier I have the prerogative to put in place the person I want to run the Department of Premier and Cabinet, and that is what I did.

The Hon. MICHAEL GALLACHER: I am interested to find out the rationale behind his termination. What was it based on?

Ms KRISTINA KENEALLY: It was based on my decision that Brendan O'Reilly was best placed to run the Department of Premier and Cabinet.

Dr JOHN KAYE: Premier, going back to an issue raised by Mr Michael Gallacher, the issue of perception as to how the State of New South Wales is run, particularly in the planning area and also the decision-making interface between public decisions and private enterprise, and the sense that the State is not being run for the best interests of the community but, as people in the street say, it is being run for Labor mates. Do you accept that substantial reform of the planning system—far beyond that which you say you did when you were the Minister for Planning—particularly major reforms to part 3A and deeper reforms to the regulation of campaign donations, would have an impact on the way people view not only your Government but governments in New South Wales?

Ms KRISTINA KENEALLY: Thank you for the question, Dr John Kaye. You raised the issue of planning reforms and you also raised the issue of campaign donations.

Dr JOHN KAYE: That is correct.

Ms KRISTINA KENEALLY: If I could characterise your question in this way, it is whether or not changes in those areas would give people confidence in the democratic system.

Dr JOHN KAYE: Very eloquently put, Premier.

Ms KRISTINA KENEALLY: Thank you, Dr Kaye. On the first matter—and I realise you may well be aware of this but perhaps other are not—in relation to part 3A, of course, there is a requirement under part 3A that there be public consultation and that submissions be taken. I am unable to provide you with the number of submissions that were received by the Department of Planning last year. That would be a question best put to the portfolio Minister. However, I know that when I held the portfolio there were substantial numbers—from memory, somewhere in the vicinity of 15,000. But I will not quote that number specifically until I have been able to check the record.

I would also flag that during the time that I held the portfolio I instituted changes in relation to salvaging the Planning Assessment Commission. The Planning Assessment Commission serves a number of functions within government. One of the functions that it serves is that when a proponent makes a declarable political donation, that is, when a proponent who has lodged a development application [DA] under the part 3A system declares that either the proponent or someone else with a financial interest in the project has made a political donation, that project is automatically delegated to the Planning Assessment Commission for determination. That is, the Minister's authority to determine that project is delegated to the Planning Assessment Commission. In relation to developers and donations, I might note for the record—and I know that you are aware of this, Dr Kaye—that in New South Wales we as a Labor Government have passed legislation that prohibits property developers from making political donations.

On the other issue you raised in relation to campaign reform, the Committee would be aware that there has been a joint select committee on electoral matters. That committee has made recommendations to the Government, and the Government is currently considering those recommendations. As a Government we have been clear that we support campaign finance reform. We have made that very clear and, indeed, the work that the joint select committee did was our initiative. We initiated that process. The Government is considering the recommendations and considering them in some detail. I have had a discussion with the Leader of the Opposition. He has indicated in general his bipartisan support—and I welcome that—for campaign finance reform. This was flagged in our House of the Parliament as recently as last week. He has raised some matters that he would like looked at closely in relation particularly to third parties. I have said to the Leader of the Opposition that, in fact, we are very closely looking at that and the totality of the recommendations made by the electoral matters committee.

I anticipate that we will be a position to make the Government's position known quite shortly. But I have also said quite publicly that campaign finance reform will work best and that the public will have the most confidence in it if it is done on a bipartisan basis. It is not something that I am going to see pushed through the

Parliament simply on numbers alone. I want there to be bipartisan support ideally across all parties, including minor parties and Independents, and we will all be able to support this and, as such, the Government will go into this process very much saying this is our position, this is where we have come to, but we are willing to negotiate with the range of voices that are in the Parliament so that we get the right outcome for New South Wales.

Dr JOHN KAYE: My question was more about public perception. Thank you for your recitation of things that have happened and are happening, but, nonetheless, public perception remains, as Mr Gallacher outlined it. I think part of the issue I am getting at is, for example, the PACs that you refer to. You would have to say that there is not a lot of confidence in the PACs. They are appointed by the Minister—even though they create the appearance of arms-length decision-making they are still people who are appointed by the Minister. You talked about the number of submissions. As somebody who has written a number of submissions myself and have been associated with groups that have written a number of submissions on part 3A applications, there is a huge sense when those submissions are written, looked at, processed and ignored in the final decision-making—those are things which create a sense of a State that is biased against the community and biased in favour of the big end of town.

Ms KRISTINA KENEALLY: Thank you for the questions and the point you made. I might just make a clarification. There is only one Planning Assessment Commission. You used the term "PACs". You might be confusing them with joint regional planning panels.

Dr JOHN KAYE: No, I am not. I know exactly what I am saying. It is the planning assessment committee set up by the Minister for Planning—

Ms KRISTINA KENEALLY: There is only one of those.

Dr JOHN KAYE: So it is a Planning Assessment Commission set up by the Minister where there is a declarable donation in respect of a developer for a development under part 3A?

Ms KRISTINA KENEALLY: That is correct. The group is also able to undertake inquiries and to provide advice to the Minister and there are a number of examples where they have done that, where they have not acted in a determining role but in a consent role but actually provided advice or undertaken public hearings and engaged independent experts. But there is only one PAC. I was concerned you might be confusing them with the joint regional planning panels.

Dr JOHN KAYE: No, I am not.

Ms KRISTINA KENEALLY: On the question of the submissions, I acknowledge that many people make submissions and not all people's issues can be addressed or met. But I also acknowledge that I would suspect you and perhaps others made submissions on projects such as the Somersby sand mine or on Currawong, or perhaps on the Bickham coalmine, where the Government did reject those proposals. There is often a case put, and I do hear it put sometimes by people who are in the Greens political party, that if something is to be declared part 3A it means it is automatically approved. I have often spoken to this. First, it is demonstrably not the case, as the examples I have just provided show and, secondly, there is a hurdle to getting declared part 3A. If we are going to judge whether or not something is going to get through the major project approval system we cannot simply look at those projects that get declared 3A. In fact, there is a hurdle in many projects and the application for a State significant or major project status is abandoned by the proponent when it becomes apparent that they will not meet that hurdle, they will not get that declaration.

On the issue of public perception more broadly, I would refer you to comments made by the ICAC last year in the wake of the upper House planning inquiry. The commissioner made very clear that one of the reasons he wanted to undertake that inquiry and make its findings known was because there were a number of unsubstantiated, unsupported allegations being put, particularly in the media, that had the potential to undermine confidence in the New South Wales planning system, and particularly in the director general. I would like to put on the record my acknowledgement of the ICAC in the work that they did there, which I think was fundamentally important to our democratic system.

CHAIR: Premier, I just have some general questions. I note the new memorandum of understanding [MOU] between the New South Wales Government and the City of Sydney council for light rail, cycle lanes and a 40 kilometre-per-hour speed limit. There has been some criticism from organisations involved with the industries or associations concerning drivers, such as the NRMA, that they were never consulted or had any

discussions about that plan. Do you believe they should have been consulted, seeing they represent the thousands of people who drive cars in and out of Sydney?

Ms KRISTINA KENEALLY: In fact, the NRMA, as I understand it, was consulted first of all as part of the City of Sydney's 2030 Plan. As I also understand it, the NRMA was contacted by the City of Sydney just prior to the City's determination to take that MOU to the full council. But those are questions best put to the City of Sydney. I have seen some of the comments that were made yesterday, particularly around the proposal to prohibit cars from York Street. As I spoke yesterday quite publicly on the record and made clear, that is a proposal to be examined; it was not an agreed action but rather a proposal to be examined. There were a number of actions in the MOU, particularly around the Wynyard precinct, that were agreed actions that we would implement. But the proposal to prohibit cars from York Street was not one of them and is a matter that will have to be consulted, not just with the NRMA but with businesses and with the community before we proceed with that.

In general, in answer to your question, absolutely. Should groups such as significant stakeholder groups, businesses and the like be consulted? Of course they should and they have been through the Metropolitan Strategy, the Metropolitan Transport Plan and the City of Sydney 2030 Plan. Yesterday's MOU reflects the work that has been done in those plans and it reflects the Government and the City of Sydney's determination that we will not take decisions separately and without reference to one another but will in fact do so jointly and to the best outcome for the people of Sydney.

CHAIR: In the early part of your answer you said that the City of Sydney council may have contacted some of these groups. You are not implying that the consultation should be just left to the City of Sydney council?

Ms KRISTINA KENEALLY: Absolutely not. My point was that a number of the initiatives that were being criticised yesterday were initiatives that had been flagged in the City of Sydney's 2030 Plan as well as in our Metropolitan Transport Plan and our Metropolitan Strategy. But a number of them, particularly those things that fall under the responsibility of the City of Sydney or are stated goals within their 2030 Plan are things that they have done extensive consultation on in putting that plan together.

CHAIR: There are media reports today that the Leader of the Opposition agrees with some of the proposals but may reverse the 40 kilometres-an-hour speed limit. Are you disappointed in his response? What is your response to his comments?

Ms KRISTINA KENEALLY: I was disappointed yesterday in the comments that I heard from the transport spokesperson as well as from the Leader of the Opposition. What we have here is a historic opportunity for the first time—the City and the State coming together in a genuine partnership. In fact, it astounds me that it has not been done previously. What we have here is the City and the State having planning documents, infrastructure documents, plans, for each one to implement. Rather than getting in each other's way we are now working together in a very co-ordinated fashion.

I think it is unarguable that Sydney works best when the council and the State work together. It is a view that I have held since my time in the Planning portfolio and in my local electorate, a large portion of which sits within the City of Sydney boundaries. I say to the Leader of the Opposition that this is a great opportunity to show some vision and optimism and to be part of something that an independent mayor and a Labor government have come together to do for the benefit of the entire city. I invite him, as I did yesterday—and my office is preparing an invitation for him today—to come in and talk to whoever he wishes about the work we are doing in transport and with this memorandum of understanding. He should take advantage of that opportunity to understand the plans and what we are doing to implement them.

CHAIR: I realise you need to work with the City of Sydney and the Lord Mayor, but surely the State Government should take the lead, given the size of this city.

Ms KRISTINA KENEALLY: That is an interesting comment. I have heard others comment this morning that the city is geographically and in other ways too small and that council amalgamations should occur. I am sure there will be lively debate about that subject, as there has been in the past and will continue to be. There are things best done by local government. In particular, there are things that the City of Sydney is responsible for on its local streets and footpaths. Frankly, the Government would not seek to take those functions from the City of Sydney any more than it would seek to take them from the Queanbeyan, Manly or

Botany Bay councils. The reality is that the Sydney central business district is incredibly important to the State's and the nation's economies. Some might think that we should tackle these problems by swashbuckling in and seizing power and control. I have always taken the view that one achieves more when working in a spirit of partnership and respecting the different roles and responsibilities of the different levels of government.

CHAIR: Do you have any comment on the public perception that the Lord Mayor of Sydney, Clover Moore, seems to be anti-car and all for cycleways everywhere in the city, often without taking into consideration the need for vehicular movement through the city?

Ms KRISTINA KENEALLY: I understand that some people have sought to make that argument. I suggest that they look at the MOU itself. There is nothing in it that would ban cars from the city centre. In fact, the Lord Mayor spoke publicly about this on ABC Radio and during our media conference yesterday. She made the very legitimate point, which is often lost in this debate, that there will always be a need for vehicles to access the city. People need to make deliveries or for whatever reason need a car because of where they are coming from or what they are doing in the city. They might have children or a disability and it is much easier for them in some circumstances to use a private motor vehicle, and we must always provide for that. If we can expand public transport, make it more efficient and get more people to use it, we will remove unnecessary cars. That will make it easier for those who do need to have their car in the city.

CHAIR: It seems that the Government has attempted to solve its problems by appointing more media advisers. Is it correct that you now have 36 media advisers in the State Government, and four in your own office, at a cost of \$445,000 per annum?

Ms KRISTINA KENEALLY: I do have four media advisers in my office.

CHAIR: I mentioned 36.

Ms KRISTINA KENEALLY: Information on the number, type and salary of government advisers is publicly available on the Department of Premier and Cabinet website, which can be accessed using the path *dpc.nsw.gov.au*. I can provide the full link to that information.

CHAIR: Thank you.

The Hon. KAYEE GRIFFIN: I refer to Budget Paper No. 3, pages five to eight. What impact will the National Health and Hospital Network reforms have on our hospital system?

Ms KRISTINA KENEALLY: As I flagged in one of my earlier statements, this year New South Wales secured—

Dr JOHN KAYE: Can you clarify the pages to which you are referring?

The Hon. KAYEE GRIFFIN: I referred to the budget papers and then asked a specific question about the reforms.

Dr JOHN KAYE: Did you say pages five to eight?

The Hon. KAYEE GRIFFIN: Yes.

Dr JOHN KAYE: There are no such pages.

The Hon. KAYEE GRIFFIN: I asked a specific question.

CHAIR: Let the Premier answer the question.

Ms KRISTINA KENEALLY: I am certain that we will be able to clarify the page numbers. However, there is no doubt that the State Government participated in the Council of Australian Governments health reform meeting and that I am able to speak about it.

Dr JOHN KAYE: I am not challenging that.

Ms KRISTINA KENEALLY: Thank you. As I mentioned earlier in answer to a question from another member of the Committee, the Government secured the best deal ever from the Commonwealth Government on health funding through that process. It is about providing a sustainable platform for funding the health system. Many have predicted that if we continue to deliver health services in the way that we are, given the generational costs that we confront in the system the health budget will consume the entire State budget in time. We attended the Council of Australian Governments negotiations in April and secured guarantees of \$6.6 billion from the Commonwealth Government over the next 10 years. That is \$772 million more than was initially offered by the Prime Minister. I must say quite baldly that it is also \$772 million more than we would have received if we had followed the Leader of the Opposition's advice about our negotiations at that meeting.

New South Wales will receive \$1.7 billion in funding over the next four years. That started on 1 July 2010, and funding and beds are already flowing into the New South Wales health system. We will also receive \$4.9 billion in guaranteed growth funding between 2015 and 2019-20. I will break that down. That additional funding delivers 11,000 additional elective surgery procedures, which will mean shorter waiting times for essential procedures such as hip and knee replacements and hernia, gall bladder and cataract procedures. We will also have 300 additional acute care beds in emergency departments. That will be particularly helpful for victims of severe accident and trauma and people who present with life-threatening conditions. In addition, 200 extra subacute beds will be provided for people needing long-term care. Four comprehensive multipurpose centres will also be constructed to provide appropriate care and facilities for older and more vulnerable patients who need that longer-term care, and particularly those in rural and regional areas.

These reforms are underpinned by a secure funding base. That is, for the first time the Commonwealth Government will take dominant funding responsibility for the New South Wales health system, and indeed for the national health system. We are already seeing the benefits coming into our system in New South Wales. We have had the opening of 396 additional new beds since that deal was signed. The hospitals receiving these beds range right across the city and right across the State, whether it be Campbelltown, Wollongong, Nepean, Sutherland, Maitland, St George, Dubbo, Port Macquarie Wyong, Orange, Tamworth, Blacktown, Westmead or Bathurst. If time permits, I would be pleased to read the list of beds and hospitals into the record. More beds means more healthcare services flow to the health system over the next four years as a result of that agreement.

I put on record my appreciation to the doctors, nurses, patient advocates and administrators who worked with us through this entire process. The Minister for Health and I took a very consultative approach to the Council of Australian Governments health reform, holding a forum on that with some 60 stakeholders, releasing a discussion paper and taking public comment. Of course, the position the Government took was finalised after the consultation and both the Minister and I participated directly in that. Cabinet took a position and that was the position we took to Canberra, and we are pleased that that was the position that prevailed through that process. Now we continue with that collaborative approach as we implement the next phase, which is the implementation of the local health networks.

The Hon. KAYEE GRIFFIN: Could you comment further on the implementation of the local health networks?

Ms KRISTINA KENEALLY: As I said as I concluded that question, we are now progressing the implementation of the local health networks and undertaking a public consultation process on that. We received this new funding from the Commonwealth and now we need to set about implementing the bed plans which we put forward to the Commonwealth. I understand New South Wales was the first jurisdiction to get its bed plans into the Commonwealth and we saw that money then flowing into the New South Wales health system before other jurisdictions.

What we now need to do is implement those local health networks. We will work with what are being called the primary healthcare networks or, alternatively, the Medicare locals, which will be designed and overseen by the Commonwealth Government. They will work together and be responsible for coordinating and providing health care to their local communities. This is an important point to understand. With the Commonwealth taking on the dominant share of funding and with the Commonwealth being responsible for primary health care and for aged care, the Commonwealth has all the financial incentives aligned in order to drive down demand on our hospital system. There is no doubt that two areas of demand on our hospital system are the ageing of the population and the growth in use of our hospital system as a primary healthcare system.

Again it is worth reflecting on one of the most historic changes that came through this Council of Australian Governments reform process. The Medicare locals will be established by the Commonwealth. There

will be independent organisations of general practitioners. They will have strong links to their local communities and other health professionals, and the local health networks will deliver patient-centred care, strengthen local decision-making, manage budgets and develop and implement strategic plans for improved health services to their communities.

The State Government has put on public exhibition our proposal for 17 local health networks. We created criteria for those local health network boundaries based on principles of the Council of Australian Governments agreement, and we were additionally informed by the statewide consultations we have had to date. Those criteria include the maintenance of a population health approach; self-sufficiency within the network to deliver comprehensive clinical services; economies of scale to ensure administrative overheads are not excessive; the capacity to maintain existing clinical networks; and catering to future growth in local health networks that are part of the growth corridor region. So, we have 15 local health networks based on geographic location and two based on specialist networks—one being the Sydney Children's Hospital network and one the forensic mental health network. That discussion paper is out there at the moment.

Right now the Government is also commencing the process for appointing chief executive officers for the local health networks. We will also be looking to appoint governing councils that have a mixture of health, clinical, business and other skills. We support having local clinicians on those local governing councils. The Government has made that clear. We want to examine the benefits of having greater clinician and community input through those councils. The release of this discussion paper is the next stage of our roll-out of the national health reforms. As Premier, I have already had the opportunity to speak with some doctors and some communities about their views on those local health networks. I thank particularly those who are working through this process with us.

The Hon. LUKE FOLEY: Premier, would you update our Committee on the redevelopment of Barangaroo?

Ms KRISTINA KENEALLY: Barangaroo is a unique opportunity for Sydney. It is a project that, yet again, like the Opera House and the Sydney Harbour Bridge, will put Sydney on the global map. It is a project that I have taken a close interest in and have had a passion for since my time in the planning portfolio. This is not just a development. It is a new quarter on Sydney's foreshore; it is a new financial services hub for the Asia-Pacific region and provides a great new green space for Sydney's harbour. It will be a \$6 billion transformation. It is creating a great new precinct in our city for the twenty-first century. We have some of the greatest names in the world, whether they be in architecture, landscape or urban design, participating in this project, making sure it is the best it can be. It is a mixture of commercial, retail, parkland space and a magnificent headland park. I acknowledge Paul Keating, the former Prime Minister, for his vision and commitment, particularly in ensuring that we have a new green headland park in our harbour.

This headland park will allow Sydneysiders to engage directly with the waters of Sydney Harbour in this part of the city for the first time for more than a century. We are returning the water to the people and the people to the water. There is also a proposal to use the headland space for a new cultural centre. The headland provides space within the headland and underneath the headland, and we can use that for additional cultural space in our city. The southern commercial precinct, which is being delivered with our partners Lend Lease, will secure Sydney's position as Asia-Pacific's financial services capital. We will also see Barangaroo being a particularly green project. It is a climate-positive precinct. It is one of the first precincts of this size in the world to be climate positive. It is one of 17 projects in the world to sign up to the principles of the Clinton climate initiative. It will be water positive by recycling and exporting more water than it uses. It will achieve zero waste by reusing and reducing more waste than it generates, and it will be carbon neutral by generating more renewable energy than total net greenhouse gases created.

Approximately half the Barangaroo site will be dedicated to open space and to public domain. That will complete a 14-kilometre Sydney foreshore walk from Anzac Bridge to Woolloomooloo. Barangaroo delivers a maximum 508,300 square metres of commercial, residential, tourism, retail and community space within its development zone. More important are the people who will be using that space—a key commercial, residential, retail, recreation precinct—over 30,000 workers and residents and, we anticipate, 33,000 visitors a day. All of that, at the end of the day, means jobs; it means 4,000 jobs created during construction. In particular, there will be employment and training opportunities there, including ambitious targets for indigenous, long-term unemployed and youth. It brings that multi-billion-dollar stimulus to the city. It is a long-term project, with long-term opportunity that any government would be irresponsible not to pursue. I might note that this is a project that increasingly the public is becoming aware of and the public is providing input into.

The Barangaroo Delivery Authority has been consulting and working with the community to achieve the best outcome for the site. Earlier this year the authority held a town hall style meeting at Angel Place, with questions from the audience answered by some of the industry experts engaged in the delivery of Barangaroo. We have also had another four forums held, two in the city and two outside the central business district, to talk about what the community thought Barangaroo needed to incorporate to be a thriving precinct. In July an open day was held. People were given the opportunity to take a look at the designs for the open green space of Headland Park.

There is also a constant web presence. It has a forum for ongoing discussion on key topics. Comments, ideas and suggestions from all of these places are taken on board by the authority's designers and their planners. We are constantly working to ensure that Barangaroo has the buzz that it needs to be the new exciting precinct in our city's central business district. It is a rare and exciting opportunity for our city. Indeed, it has had interest not just around the city but also overseas. It is also worth noting when talking about planning processes and community interest, that we had planning application and exhibition processes in 2006, 2007, 2008, 2009 and 2010 and 13,000 people have viewed in person or online the plans for Barangaroo since the announcement of the preferred proponent in December 2009.

We welcome all discussion and all debate about this great project. We are fundamentally confident that it will bring great benefit to generations of Sydneysiders. I am very pleased with the process to date. I acknowledge that Lend Lease went through a rigorous bid process. It was awarded the development rights to Barangaroo South in December 2009 and had been working with the Barangaroo Delivery Authority. Currently an application to amend the concept plan is with the New South Wales Department of Planning for assessment. I do say to the public that Lend Lease and the Barangaroo Delivery Authority will be progressively submitting project applications for different aspects of Barangaroo. I encourage the community to have their say and to make submissions on these applications.

Lastly, and I will finish on this point, construction is expected to commence in late 2011. The Headland Park is expected to open in late 2014. I am quite confident in the transformation of this post-industrial hard concrete slab to a thriving new precinct of workers, residents and visitors, and I am quite confident of what it says about the future of Sydney. I am pleased that we are quite literally returning 22 hectares of land on Sydney's foreshore back to the people of Sydney.

The Hon. LUKE FOLEY: Thank you.

Ms KRISTINA KENEALLY: You are welcome.

The Hon. PENNY SHARPE: Premier, I would like to turn to transport. Could you update the Committee on how this year's budget will support the Parramatta to Epping rail link?

Ms KRISTINA KENEALLY: I thank Ms Sharpe, who is also the Parliamentary Secretary for Transport.

The Hon. TREVOR KHAN: She writes a good letter, I understand.

Ms KRISTINA KENEALLY: She certainly does and it is completely consistent with the Metropolitan Transport Plan, which I would be happy to send you a copy of, Mr Khan.

Dr JOHN KAYE: Can I have one too?

Ms KRISTINA KENEALLY: You are more than welcome to have one, Dr Kaye. Would any other Committee member like one?

The Hon. KAYEE GRIFFIN: No, thank you.

Ms KRISTINA KENEALLY: Of course, I will say that the confirmation of a continuing Labor Government in Canberra is good news for Sydney commuters—

The Hon. LUKE FOLEY: Hear! Hear!

Ms KRISTINA KENEALLY: —because the Gillard Government has indicated that the Commonwealth will have a role to play in major cities and particularly in Sydney. The Gillard Government will be providing \$2.1 billion towards the Parramatta to Epping railway line. It will work with us to deliver that project. This is a significant infrastructure project that is noted under our transport plan, noted as a project that we wanted to give priority to, we could not do within our existing funding envelope but that we would bring forward should additional funds become available from the Commonwealth or the private sector and we would commence it immediately. That is precisely what has happened here.

What we are able to do is bring forward this project. It will allow us to complete the vital Chatswood to Parramatta heavy rail corridor commenced by the Government in 2002. This rail line links our second central business district of Sydney—Parramatta—and the major transport hub of Chatswood with the technology growth corridor of Ryde and Macquarie Park. It is about providing new transport to western Sydney; it is about providing a whole new set of career opportunities. If I can—and I recognise that the bell has rung—I put on the record that the Secretary of Treasury has provided advice, not only advice that I released publicly but provided advice to the budget committee of Cabinet prior to our decision to accept the Commonwealth's offer that there is sufficient uncommitted funds available within the 10-year, \$50.2 billion Metropolitan Transport Plan to allow funding to be provided for the recently announced Epping to Parramatta rail link.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, how long have you been a member of the Statutory and Other Offices Remuneration Tribunal?

Mr O'REILLY: About 10 years.

The Hon. MICHAEL GALLACHER: That is good. Can you indicate to the Committee—

Mr O'REILLY: Sorry, have I been a member of the tribunal? Sorry, I thought you meant as a member of the senior executive service [SES].

The Hon. MICHAEL GALLACHER: No.

Mr O'REILLY: The tribunal, since I entered into this position.

The Hon. MICHAEL GALLACHER: When you make a determination with regards to redundancy packages, do you look at precedent?

Mr O'REILLY: I am an adviser or an assessor. I do not actually have the right to make a decision. That is a single-person tribunal. That position is held by Alex Smith. He has the sole authority to make the decision. I am aware that they look at precedent. They look at what the arrangements provide, the maximum, compared to the public service; that sort of thing.

The Hon. MICHAEL GALLACHER: I think it is fair to say that Mr Lee was given the maximum payment of \$363,000?

Mr O'REILLY: I would have to check that, Mr Gallacher. My understanding is that the maximum a person would get would be 38 weeks' salary. I have just been told, yes, he has.

The Hon. MICHAEL GALLACHER: He received the maximum?

Mr O'REILLY: That is what I have heard. I was not on that tribunal.

The Hon. MICHAEL GALLACHER: That is okay. Could you indicate to the Committee what his predecessor, Robyn Kruk, received, if anything?

Mr O'REILLY: I can find that out for you. If I could take that on notice, I will have that information to you.

The Hon. MICHAEL GALLACHER: Was she given a redundancy package?

Mr O'REILLY: My understanding is yes.

The Hon. MICHAEL GALLACHER: Is it normal practice for directors general to get the maximum?

Mr O'REILLY: No, it depends on how long the contract is and how many years of service they have left remaining on that contract.

The Hon. MICHAEL GALLACHER: How many years service was left on Mr Lee's contract?

Mr O'REILLY: From the figures you mentioned to me earlier on, he was in the position for about 15 months.

The Hon. MICHAEL GALLACHER: Fourteen months?

Mr O'REILLY: Fourteen months. My understanding is he had a five-year contract, so 3½ years.

The Hon. MICHAEL GALLACHER: Is it normal to put directors general on five-year contracts?

Mr O'REILLY: That is up to the Minister concerned, but most are five years, I would say, yes. The majority are.

The Hon. MICHAEL GALLACHER: Can I turn to another matter. I asked you about issues of conflict of interest. Under the ministerial code of conduct all actual and apparent conflicts of interest need to be disclosed and kept in a register. Do you maintain that register?

Mr O'REILLY: For Ministers?

The Hon. MICHAEL GALLACHER: Yes?

Mr O'REILLY: That is held by one of the directorates in my agency.

The Hon. MICHAEL GALLACHER: So in effect yes?

Mr O'REILLY: Within the Department of Premier and Cabinet, yes.

The Hon. MICHAEL GALLACHER: Has Minister Virginia Judge disclosed a conflict of interest in relation to her relationship with Kosta Nikas, that you are aware of?

Mr O'REILLY: I am not aware. I would have to check that for you.

The Hon. MICHAEL GALLACHER: May I ask you a question in relation to furthering the Committee's understanding of the process. When a Minister has a relationship with a person who is employed within an industry for which he or she is Minister, does that raise the potential for an actual or apparent conflict of interest, and would you expect that to be disclosed?

Mr O'REILLY: Yes, I would say so.

The Hon. MICHAEL GALLACHER: You would say that it is either actual or—?

Mr O'REILLY: I would expect them to disclose that.

The Hon. MICHAEL GALLACHER: What about where a Minister has a relationship with a person who has benefited from, say, a \$50,000 government grant? Would that constitute an apparent or actual conflict of interest, and would you expect that to be disclosed as well?

Ms KRISTINA KENEALLY: Can I answer that question, please? It makes an allegation about an individual named Mr Kosta Nikas, I believe. Is that what you are referring to?

The Hon. MICHAEL GALLACHER: Premier, could you indicate to the Committee what the allegation is?

Ms KRISTINA KENEALLY: I do not know; I am asking you. Your question seems to allege that an individual benefited from a \$50,000 grant. Is that what you are saying?

The Hon. MICHAEL GALLACHER: Premier, I did not say that at all. I am asking the director general—

Ms KRISTINA KENEALLY: Can I ask Hansard to read the question back, please?

The Hon. MICHAEL GALLACHER: I can read it back to you, if you like. In relation to the process question I asked: What about where a Minister has a relationship with a person who has benefited from, say, a \$50,000 government contract? Would that constitute an actual or apparent conflict of interest, and would you expect that to be disclosed?

Ms KRISTINA KENEALLY: A contract, or funding?

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

Ms KRISTINA KENEALLY: You have asked a question about a \$50,000 contract?

The Hon. MICHAEL GALLACHER: A \$50,000 government grant.

Ms KRISTINA KENEALLY: It is a government grant, not a contract?

The Hon. MICHAEL GALLACHER: Yes. Premier, would you expect that to be disclosed?

Ms KRISTINA KENEALLY: I am asking, first of all, if your allegation is—

The Hon. MICHAEL GALLACHER: I have not made an allegation. I am asking about process, so we can all get a better understanding of how the system works. Premier, would you expect that to be disclosed?

Ms KRISTINA KENEALLY: If it were the case, yes. In this circumstance, that is not the case.

The Hon. MICHAEL GALLACHER: I did not ask about a circumstance. I have asked a question about process, and I will continue with Mr O'Reilly. Mr O'Reilly, what if a Minister were to organise for a person she may have a relationship with to attend high-level meetings with Government officials? Does that constitute an actual or apparent conflict of interest, and should that be disclosed?

Mr O'REILLY: If the person were brought in because of particular expertise or an understanding of the subject matter—that is a grey area, to tell you the truth. If they were a personal friend of the Minister and they were brought in to provide some sort of expertise and advice, I think we should be told about that, yes.

The Hon. TREVOR KHAN: I turn to another issue, and it relates again to the schedule on the register of interest. Do I take it that if a Minister makes a declaration pursuant to 3.3 of the Ministers code, that is brought to your attention?

Mr O'REILLY: Could you recite 3.3 for me?

The Hon. TREVOR KHAN: Yes; 3.3 reads, "Where, in the exercise of office, an actual or apparent conflict of interest arises, or is likely to arise, in a matter, a Minister shall forthwith disclose the nature of the conflict to the Premier. A record of that disclosure shall be placed upon a schedule to the Register of Interests."

Mr O'REILLY: That should be adhered to.

The Hon. TREVOR KHAN: I think we would all agree with that. If it is entered on the register, do I take it that that would be brought to your attention?

Mr O'REILLY: Not necessarily to my attention. The person who runs the register obviously has the authority to keep the record. If it were then that an agency was going to be involved with that second or third party, they would be advised about that. I do not have the register with me, so to speak, to be able to check every time for each meeting.

The Hon. TREVOR KHAN: But you are the controller of the register?

Mr O'REILLY: Absolutely.

The Hon. TREVOR KHAN: And as the controller of the register, you would like to know that it is kept in an appropriate form?

Mr O'REILLY: Yes.

The Hon. TREVOR KHAN: That if, for instance, there is mention of a conflict over a cup of tea or whatever else, you go and check that that Minister has made an appropriate disclosure?

Mr O'REILLY: That is right. If there were ever an allegation that there was a conflict of interest that had not been recorded on the register, and I was made aware of that, I would advise the person and advise probably the Premier.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, to the best of your knowledge has Minister Virginia Judge disclosed a conflict of interest regarding her relationship with Kosta Nikos?

Mr O'REILLY: I am not aware of that; I would have to check it.

The Hon. MICHAEL GALLACHER: How often do you check it?

Mr O'REILLY: Check the register? Very rarely, because it is normally brought to my attention if there is a problem.

CHAIR: Will you take that question on notice, to check the register?

Mr O'REILLY: I can certainly do that, yes.

The Hon. MICHAEL GALLACHER: When does it constitute a problem—when it breaks in the media?

Mr O'REILLY: No. If it is broken anywhere, there is a problem. If a person has not advised of the conflict of interest and we become aware of it, there is immediate action taken on that.

The Hon. MICHAEL GALLACHER: Given the media in the last few days in relation to issues about a potential conflict of interest, have you had cause to ask anyone to have a look to see if any entries have been made into the register?

Mr O'REILLY: I have not, no.

The Hon. MICHAEL GALLACHER: Whilst you say "If there is a problem, we have a look at it", is it fair to say that what has been raised in the media would therefore constitute a problem?

Ms KRISTINA KENEALLY: Again, if you would actually ask the question you are not asking, we might be able to provide you with some information.

The Hon. MICHAEL GALLACHER: Unfortunately, Premier, I ask the questions the way I would like to ask them, not the way you would like me to ask them.

Ms KRISTINA KENEALLY: I would suggest it is perhaps because you do not like to know the truth of the matter.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, given that you have said that when there is a problem the register is examined, is it fair to say that what has been raised in recent times in relation to Minister Judge would constitute a potential problem and, therefore, it would be examined?

Mr O'REILLY: Yes. And I would suggest that it has been examined by the people who run the register.

The Hon. MICHAEL GALLACHER: But only minutes ago you said you do not know?

Mr O'REILLY: No. You asked me if I reviewed the register.

The Hon. MICHAEL GALLACHER: I also asked you whether you had ever required someone else to check the register?

Mr O'REILLY: I have not asked anyone to check the register. The process is that that register is reviewed and kept up to date. If matters arise, there is a process automatically in train that would exist to go through to say, "Is there a problem here?" If so, I would be advised, and so would the Premier.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, is it fair to say that you have no knowledge of whether there is any truth in that register at all?

Mr O'REILLY: That is what I have said.

The Hon. TREVOR KHAN: Do I take it that it is the sort of register you have when you are not having a register: you are hoping that it is kept up to date, but you do not know yourself, as the head of the department, who is responsible for it?

Mr O'REILLY: No. Every member of Parliament is advised of the code of conduct that exists, as is every public servant. They are aware of that, and they sign up to the code of conduct and ethics that they understand it.

The Hon. TREVOR KHAN: Do they?

Mr O'REILLY: I believe they do. And if they do not, they soon do. If ever it is discovered that there has been a conflict of interest—

The Hon. TREVOR KHAN: That is, discovered by the media?

Mr O'REILLY: No. There are times when a person automatically advises us straightaway, "I have a conflict of interest. I am excluding myself from any discussions on this", or, "I am excluding myself from an interview panel", or whatever. That happens regularly. Despite the public service being so big, obviously people who have worked in the sector for a long time know each other. If they have formed friendships, they exclude themselves from those decisions. The register, though, is where a person has said, for example, "I have shares in something, and I am going to record that I do not want to be involved in any decision that affects that." In Cabinet itself there are times when Ministers say, "I am not here for agenda items [and they give the item numbers]; I am excluding myself." That is recorded, along with the time they left the room and the time they came back into the room. There is a process, a system, that exists within the Department of Premier and Cabinet to do that. The register is the same model. There is a system for this.

The Hon. TREVOR KHAN: As we are talking about "excluding from", when did the Premier give a notification for the purposes of an entry in the register with regard to her husband's ownership of Better Place Australia?

Ms KRISTINA KENEALLY: I am able to answer that question for you. I am able to provide you with those letters. In fact, I am more than happy to do that. I am happy to read them onto the record.

The Hon. TREVOR KHAN: Go ahead.

Ms KRISTINA KENEALLY: On 4 February 2009 I wrote to the Hon. Nathan Rees as follows:

I write to make a voluntary disclosure to you regarding a change in circumstances in relation to the pecuniary interests of my spouse, Mr Ben Keneally.

Ben finished employment with the New South Wales Department of Premier and Cabinet on 30 January 2009.

As I advised you on the telephone on 2 February 2009, Ben received on 1 February 2009 an offer of employment from the company "Better Place", which operates a network for electric cars.

I can confirm to you today that he has accepted this offer and commenced work.

Given that the business proposition behind "Better Place" is in line with general government trends to reduce greenhouse gas emissions, it is possible that the company may have reason to interact with state governments and the Commonwealth government, or be affected by government policy.

I have sought advice from the NSW Legislative Assembly as to my requirements to disclose the pecuniary interests of my spouse. The advice from the Assembly is that the regulation only requires disclosure of a Member's pecuniary interests—not that of their family members.

I have also sought advice from the Department of Premier and Cabinet in relation to the Ministerial Code of Conduct. I am aware of what the Code requires from me regarding the disclosure of pecuniary interests and the management of any potential or perceived conflicts of interest.

The Ministerial Code of Conduct says that I must:

- conform with the Parliament's disclosures requirements
- give the Premier a copy of my disclosure to the Parliament
- update the Premier if the circumstances on my disclosure change
- disclose anything else the Premier might require me to disclose, including the pecuniary interests of my spouse or children. The Department of Premier and Cabinet tells me that there is a directive from the former Premier to disclose anything relating to ministerial spouses or children that might impact on their ministerial duties, but that there has been no confirmation from you to do the same. I can, if I choose, make a voluntary disclosure to you.

The Code also says that in relation to conflict of interest:

- I may not take part in a decision where the outcome would confer a pecuniary or other personal advantage on me, my spouse or child (if the advantage is greater than that conferred to any member of the public at large).
- If it is a decision I make directly, then I must either divest myself of the interest or confer with the Premier if another Minister should be appointed or if I can be authorised to continue to act.
- If it is a decision taken by Cabinet or any committee thereof in which I participate, I must close the conflict and abstain from participating and voting.

The Code also says I must maintain the secrecy of the Cabinet and not use information gained in office for personal advantage.

Furthermore, I can advise you that:

- I am writing today to seek advice from the Parliamentary Ethics Adviser to confirm that I have properly understood my disclosure obligations and to enquire as to whether there are any additional or appropriate steps that I should take.
- [My husband] Ben is aware of the potential for a perceived conflict of interest because of my position, and that he will manage this by avoiding involvement, wherever possible, in any discussions between "A Better Place" and the NSW Government.

If you have any questions or wish to discuss any aspect of this voluntary disclosure, please do not hesitate to contact me.

I again provided advice to the Premier, and I have copies here of my letters—

The Hon. TREVOR KHAN: Why do you not just table them? They are obviously long and detailed.

Ms KRISTINA KENEALLY: No, I am more than happy to continue. I have copies here of letters I wrote on 6 February 2009 to Russell Grove, Clerk of the Legislative Assembly, and to Mr Ian Dixon, Parliamentary Ethics Adviser. I also have a copy of the letter I sent to Ms Leigh Sanderson, Deputy Director General. On 30 November 2009 I wrote to the Premier as follows:

Dear Premier

Pursuant to the letter of 4 February 2009 from Ms Leigh Sanderson, Deputy Director (General Counsel), Department of Premier and Cabinet, I write to update the return I lodged with you on the same date in relation to the pecuniary interests of my spouse, Mr Ben Keneally.

You will recall in that letter I advised you that Ben commenced employment on 1 February 2009 with Better Place Australia, a privately owned company.

Ben advises me that:

- He has recently been issued with 3,000,000 management shares in Better Place Australia at an approximate cost of 33 cents per share.
- He has received a no-interest, non-recourse loan from Better Place Australia to finance these shares. These management shares convert to full shares on the achievement of certain performance targets. There is no scope to trade these shares until the company experiences a liquidity event.

If you have any questions or wish to discuss any aspect of this disclosure, please do not hesitate to contact me.

Furthermore, I can advise the Committee—it seems that members do not want me to hear about this?

The Hon. MICHAEL GALLACHER: You could just table them.

The Hon. PENNY SHARPE: You asked the question. You should let the Premier answer.

The Hon. MICHAEL GALLACHER: You are just trying to soak up the time because you know that you are exposed on this.

Ms KRISTINA KENEALLY: On which issue?

The Hon. MICHAEL GALLACHER: On this issue of the conflict and the fact that people are not signing the register and you are not prepared to allow Mr O'Reilly to be questioned about it by now reading the correspondence.

The Hon. PENNY SHARPE: That is not true. You handed over to Trevor.

The Hon. MICHAEL GALLACHER: No. You know full well what has happened here.

Ms KRISTINA KENEALLY: Better Place Australia has no contracts—

The Hon. MICHAEL GALLACHER: I am happy for you to table the documents.

Ms KRISTINA KENEALLY: This is not a letter. I am further advising the Committee. I am disappointed because you asked a series of questions about disclosure—

The Hon. MICHAEL GALLACHER: This is appalling. You are reading correspondence when you could simply just table it so you can stall for time and play right up to the last second—

Ms KRISTINA KENEALLY: You asked a series of questions. Better Place Australia has no contracts with, nor does it receive funding from, the State Government. Better Place Australia did cooperate with EnergyAustralia on its smart grid proposal for the Newcastle city project. Of course, as you would be aware, EnergyAustralia is a separate government trading enterprise. I note a letter from George Maltabarow, Managing Director, EnergyAustralia, published in the *Sydney Morning Herald* on 17 August 2010:

The suggestion that Better Place Australia was involved in EnergyAustralia's Smart Grid, Smart City bid due to any external influence is unfounded ...

Better Place was chosen because it offered a vertically integrated model for electric vehicles. No other company in Australia did so when we submitted our bid. Better Place was selected to strengthen our submission, but our bid makes clear another electric vehicle model and other electric vehicle companies will be involved in the three-year trial.

The federal government set the guidelines for the Smart Grid, Smart City project. We responded by submitting the strongest bid possible, based on impartial market research.

EnergyAustralia has been a world leader in smart grid technology for at least four years. We used the best information about the leading proponents in the electric vehicle market to put together our bid. Our goal was to win a \$100 million trial for NSW and we succeeded in doing so. We developed the best bid and we did it without fear or favour.

George Maltabarow Managing director, Energy Australia, Sydney

I am happy to continue to speak on this or to allow Dr Kaye to commence his questions.

CHAIR: Premier, would you like to table that correspondence or have it included in the *Hansard*?

Ms KRISTINA KENEALLY: I am more than delighted to table that correspondence. I would be happy to take additional questions from the Opposition, or indeed any other Committee members on this matter.

Documents tabled.

Dr JOHN KAYE: Premier, I take you to the State Plan. As you are aware, prior to August 2009 the New South Wales State Plan had a greenhouse gas emission target of returning to year 2000 levels by 2025. Some time in August 2009 that particular target was quietly dropped and it has not, to my knowledge, been reinstated. In fact, the only target we currently have for greenhouse gas emissions is a 2050 target—a 60 per cent cut on year 2000 levels by 2050. Can you explain why we no longer have a 2025 target?

Ms KRISTINA KENEALLY: I thank you for your question, which I will be able to shortly provide you with an answer to. First of all, I note that this is a question that can also be put to the portfolio Minister. I can provide you with some information and then, if that is not sufficient, I am more than happy to take it on notice.

Dr JOHN KAYE: Your department has responsibility for implementing the State Plan, does it not?

Ms KRISTINA KENEALLY: For implementation, yes, but the targets within the State Plan are set in a collaborative process with the community, through community consultation as well as with stakeholder groups, and the lead Minister, of course, has specific responsibility for the target as well as its implementation. As you would be aware, the New South Wales Government has a number of environmental initiatives in place and we do have those in place to meet the Commonwealth Government's target of 20 per cent renewable energy by 2020.

A strong commitment to clean energy has been a hallmark of this Government. We recently have been working on the development of a strategy to support the transition to a clean energy future. The strategy will be developed in consultation with the community. It will include the consideration of gas development options and measures to increase the adoption of renewable energy resources. For example, TransGrid has been successful in applying to the Australian Energy Regulator for an annual allowance of \$1 million to further investigate innovative demand side management solutions.

In particular, these new initiatives—whether they be the Solar Bonus Scheme, the New South Wales Energy Savings Scheme—build on a successful and innovative history in supporting measures to reduce greenhouse gas emissions. The Greenhouse Gas Abatement Scheme [GGAS] was one of the world's first emissions trading schemes. To date it has saved or offset over 90 million tonnes of greenhouse gas since starting. The GGAS is legislated to remain in place until 2020 and beyond or to the commencement of a national emissions trading scheme. As you know, the New South Wales Government was one of the first jurisdictions in the world to implement that. We look forward to the work that is underway in relation to reviewing the GGAS in anticipation of the introduction of the ETS.

Dr JOHN KAYE: My question was not about that at all. My question was about the dropping of a target from the State Plan, that is, the target to return to year 2000 levels by 2025. I am struggling to connect your answer to my question.

Ms KRISTINA KENEALLY: I am seeking to provide you additional advice. I will take your question on notice and come back to you.

Dr JOHN KAYE: Premier, in doing so, would you also clarify whether the decision to build two new baseload power stations of 2,000 megawatts apiece, which will put out between 10 million and 25 million tonnes of carbon dioxide each year, is related to the dropping of that particular target? You will get back to me on that on notice.

Ms KRISTINA KENEALLY: As you know, Dr Kaye, our policy for future baseload generation is to be fuel neutral.

Dr JOHN KAYE: That is why I said between 10 and 25.

Ms KRISTINA KENEALLY: You seem to be aware of what is going to happen with those baseload generators even though the decision has not been made.

Dr JOHN KAYE: I said two new fossil fuel power stations, between 10 million and 25 million tonnes of carbon dioxide a year.

CHAIR: Can we return to the questions?

Dr JOHN KAYE: That is, 10 being the gas and 25 being the coal. Let us leave that for a minute and go to GIPA, which is no doubt a step forward in terms of openness and accountability. However, I am getting reports from a variety of groups and individuals that when people lodge GIPA applications they still come up against a Cabinet-in-confidence barrier or, worse, the barrier that a document was being prepared for future submission to Cabinet and therefore not available under GIPA. The story coming back is that this is being done deliberately to maintain a barrier against accountability. It is being used unreasonably and adversely. Premier, would you give consideration to developing a separate test that challenges the Cabinet-in-confidence test when documents clearly do not require that degree of secrecy?

Ms KRISTINA KENEALLY: First of all, if your question is will we remove Cabinet-in-confidence provisions—

Dr JOHN KAYE: No, that was not my question. My question was will you consider a further test?

Ms KRISTINA KENEALLY: Let me flag that the freedom of information Act was only recently replaced by, as you term it, GIPA—the Government Information (Public Access) Act 2009 on 1 July this year. You are correct when you note that it encourages the proactive release of information. It provides that all government information should be accessible to the public unless there is an overriding public interest against disclosure. The Office of the Information Commissioner was established last year to ensure agencies understand and comply with the new GIPA legislation and a permanent Information Commissioner, Mrs Deirdre O'Donnell, was appointed in April this year.

These reforms underline the Government's commitment to open and accountable government. We have a publication guide, which sets out the information that the department holds and ways it can be accessed. The Act itself, which falls within the Attorney's portfolio, will, of course, through normal processes, be reviewed. Issues such as you have raised can be considered within that review process. But if your question is will we completely remove Cabinet-in-confidence provisions, no, we will not.

Dr JOHN KAYE: No, that was not my question. I will rephrase my question to make it clearer. Are you aware of allegations that there is a continuing tendency within the public service to declare documents Cabinet-in-confidence when there is no reason to and when under any reasonable test of the public interest those documents ought to be in the public domain?

Ms KRISTINA KENEALLY: Do you have a specific example?

Dr JOHN KAYE: As the chairperson of Cabinet and as the leader of the Government would you consider a review of a separate test that would allow people to challenge the Cabinet-in-confidence claim where it is clearly being used to frustrate public information?

Ms KRISTINA KENEALLY: Do you have a specific example of a case?

Dr JOHN KAYE: Yes, I can give you one example. It has been argued that documents in respect of the Metropolitan Water Plan, I think this is correct—

Ms KRISTINA KENEALLY: You think it is correct?

Dr JOHN KAYE: I am trying to remember. There were two cases and in my own mind I am not absolutely clear which was which. I think this is a specific example where the Metropolitan Water Plan went to Cabinet and, therefore, documents prepared in respect to the Metropolitan Water Plan were exempted from the GIPA Act.

Ms KRISTINA KENEALLY: Dr Kaye, with all respect, it is difficult for me to answer a question that you so clearly thought about except you have been unable to provide me with what you are certain are specific examples of the problem you are describing. I am more than happy if there are specific examples that you can provide to me to have a look at those.

Dr JOHN KAYE: I will turn to your fast food forum. You would be aware that your colleague to the north, Anna Bligh, commissioned an inquiry to look at using State powers to ban junk food advertising during children's television hours. Would you consider doing the same thing in New South Wales?

Ms KRISTINA KENEALLY: We held that fast food forum with the intent to work with the industry to drive healthier eating, not just for children—although, of course, children and children's health are an important part—but, indeed, the population as a whole with the view that the community is best placed to make personal choices when they have a full range of information in front of them as to such things as salt and fat and calorie content of food. Currently when people go to a fast food business the only information they have is in relation to the price, or the information may not be as readily available to them as it could otherwise be. We will work with the industry and we will take on board their suggestions. Of course, this is all part of a national process. We will take forward the outcomes of that to the national process.

[Short adjournment]

CHAIR: Mr O'Reilly has indicated that he has some answers to some of the questions that were asked earlier.

Mr O'REILLY: Mr Gallacher asked a number of questions. One was what does John Lee receive as a member of the Major Events board? The answer is \$30,000 per annum. Is John Lee undertaking any other work in government? I am advised that no, he is not. Thirdly, what did the former Director General of Premier and Cabinet Robyn Kruk receive? The tribunal determined 38 weeks, which equalled \$373,965.

Ms KRISTINA KENEALLY: My apologies, Chair, but I am also in a position to provide you with some information regarding the media adviser's position question that you asked. I can confirm that the Department of Premier and Cabinet website indicates that there are 34 media advisers, which I believe was the number you put to me. The Department of Premier and Cabinet advises that there has been no significant change in the number of government media advisers for several years.

CHAIR: There were some earlier questions regarding Minister Virginia Judge in the context of a possible conflict of interest. Do you have any comments you wish to add to that matter?

Ms KRISTINA KENEALLY: Until some speculation relating to this person was drawn to my attention I had not heard of or met Mr Kosta Nikas. I am advised that Minister Judge has never funded any organisation that Mr Nikas has been involved in, either in the Arts or in the Fair Trading portfolio. Minister Judge was Minister for Citizenship from 8 September 2008 until 4 December 2009. I am advised by the office of the Minister for Citizenship that the Greek Festival of Sydney has been funded every year since 2005. I am advised that the grant funding from the Community Relations Commission is assessed in the early part of each year and announced in March.

I can advise the Committee that the Greek Festival of Sydney received \$12,500 in 2005, \$13,000 in 2006, \$20,000 in 2007 and \$13,000 in 2008. In 2009, the year Minister Judge was Minister for Citizenship, the grant was \$5,000—a reduction I would note. In 2010, under the current Minister, John Hatzistergos, the festival received \$50,000. I note that Mr Gallacher made some statements—he was slightly confused as to whether it was a government contract or government funding. For his benefit I can clarify, from what I think he was alluding to, that it is in fact government funding—unless he has another specific question to ask me.

I can also confirm for the Committee, and I am happy to table these or read them into the *Hansard*, whichever the Committee prefers, that I have a letter from the Greek Festival of Sydney to the Hon. John Hatzistergos, dated 21 December 2009, making representation and asking for additional funding from the Government for the festival. I have here a letter from Minister Hatzistergos to me as the Premier, dated 8 February 2010, advising me of meetings he had with the Greek Orthodox Community of New South Wales regarding the Greek Festival of Sydney and seeking additional government funding, given that the festival—which has become one of the largest festivals in New South Wales and one of Australia's longest running annual events—was in need of additional funding supplementation to proceed.

I have here a letter dated 11 March 2010 from me to the President of the Greek Orthodox Community and to the Festival Chair of the Greek Festival of Sydney advising that, following representations from the Hon. John Hatzistergos, Minister for Citizenship, the Government would provide a one-off grant of \$50,000 towards this vibrant and inclusive festival. I am happy to table those documents for the benefit of the Committee.

Documents tabled.

I am also able to advise the Committee that Mr Nikas has not received any funding or grants from Minister Judge or Arts NSW. I am advised that Minister Judge had no involvement with the programming or the funding of the 2010 Greek Festival. I am advised that no funding that was given to the Greek Festival was directed to a play that Mr Nikas was involved in, and that Mr Nikas has not been recommended for any funding or grants under the 2011 funding program through Arts NSW. I also advise that in terms of the Arts NSW website a number of Arts stakeholders were in fact invited to provide unpaid input into the Arts NSW web page redesign in June and July 2010.

CHAIR: Following up earlier questions about staffing, I note in the budget papers that in 2009-10 the budget for the Department of Premier and Cabinet was \$380 million and in 2010-11 it has increased by \$80 million to \$420 million. What would be the reason for such a dramatic increase?

Mr O'REILLY: If I could answer that? An increase of \$39.2 million is due to: Opera on the Harbour, \$2 million; the NRL finals, \$3 million; Regional Youth Strategies, \$10 million, Community Building Partnership, \$24 million; and the NSW Waratah Awards, \$1.1 million.

CHAIR: They are basically all grants and not related to staffing or—

Mr O'REILLY: No.

CHAIR: I note in the Department of Premier there is a plan called the Homelessness Action Plan. What are the main features of that plan, the budget for it and how many staff are working on that important project?

Ms KRISTINA KENEALLY: We do not have that level of detail with us today but we would be happy to take that question on notice and provide it to you.

CHAIR: Can you make any comment about what the action plan is?

Ms KRISTINA KENEALLY: The Homelessness Action Plan itself sets out a range of initiatives, the key directions and the actions that the Government will seek to respond to homelessness over the next five years. It includes initiatives that are funded under year 1 of the National Partnership Agreement on Homelessness. Of course, we have done consultations right across New South Wales in relation to both the plan itself and regional homelessness action plans, and that includes with people who are homeless themselves. I do not want to get these percentages incorrect on the record so I will seek to come back to you. I do not have them in front of me. But it sets our targets in terms of reducing the percentage of people who are currently homeless. It also seeks to put in place strategies to overcome people who have recently found themselves homeless or at risk of homelessness and it seeks to also reverse entrenched homelessness for that category of people who have been long-term homeless. There are specific percentages; I do not have them front of me. I do not wish to name a number and not provide the correct information, but I will get that for you.

CHAIR: Premier, I note, again under your umbrella, a plan to employ 2,000 Aboriginal people in the public sector over the next four years. How do you intend to achieve that and will it be in particular areas in the public sector?

Ms KRISTINA KENEALLY: This was an initiative that was announced in November 2009: we would seek to employ an additional 2,229 Aboriginal people in the public sector over a four-year period. I can advise the Committee that as at 30 June 2010 some 236 of those jobs have been filled, with agencies planning to recruit another 273 Aboriginal people by the end of the year. The New South Wales Government is on track to meet those commitments. These are extra jobs that consist of cadetships and apprenticeships, positions in schools and educational administration, Aboriginal teaching scholarships, residential care and support roles and jobs in health care.

To help fill those positions the Government has launched Making It Our Business, an action plan for Aboriginal employment in the New South Wales public sector. The plan provides practical information for Aboriginal job seekers and encourages government agencies to remove impediments to Aboriginal people in the recruitment process. I hope that provides you with some of the information. If you seek anything additional we would be happy to provide it.

CHAIR: Regarding the Aboriginal issue, the budget papers state that Aboriginal Trust Fund repayments have closed from 31 May 2009 and people have to make application. Are there any funds still in the trust fund? If so, what will happen to them? Can any person still make a late application?

Ms KRISTINA KENEALLY: As you are aware, on 13 March 2009 the Government announced reforms to the scheme to build on the achievements to date and to ensure a more efficient and fair system for the repayment of moneys. I will not go through the changes now. However, one of the difficulties facing applicants under the old scheme was a lack of records even where there was a strong likelihood that moneys were owed. Now when there are no records but other supporting evidence exists, the panel can recommend that an applicant receive an ex gratia payment of \$11,000. That figure is based on the average repayment made under this scheme. I have a bit of information, but I am mindful of the time and I am happy to provide it in writing.

CHAIR: How much is left in the trust fund?

Ms KRISTINA KENEALLY: I will take that question on notice.

The Hon. LUKE FOLEY: Premier, can you enlighten me about the announcement you made regarding Oprah Winfrey this morning?

Ms KRISTINA KENEALLY: New South Wales is proud to welcome the *Oprah Winfrey Show* to Sydney. The visit will be part of the show's twenty-fifth and final season. Of course, it is the highest rating talk show in United States history—dare I say, the highest rating talk show ever. Earlier today I joined the Federal Minister for Tourism, the Hon. Martin Ferguson, and the New South Wales Minister for Tourism, the Hon. Jodi McKay, in outlining the details of Oprah's visit to Sydney. We were joined by the former Federal Minister for Tourism, the Hon. John Brown, who was involved in the hugely successful "Another shrimp on the barbie" campaign.

The Hon. TREVOR KHAN: That was a while ago.

Ms KRISTINA KENEALLY: Yes, it was. It was about 1984.

The Hon. TREVOR KHAN: You must have seen it when you were living in the United States.

Ms KRISTINA KENEALLY: Gee, it worked, because here I am!

Dr JOHN KAYE: Bingo!

Ms KRISTINA KENEALLY: Mr Brown said that this was the best campaign to promote Australia since United States viewers were given that Aussie welcome by Paul Hogan. This is a major coup for New South Wales. The *Oprah Winfrey Show* will showcase Sydney and the State to a weekly audience of 40 million viewers in the United States and millions more who watch the show in 145 countries across the world. The New South Wales Government and Tourism Australia have been working on this project for some time. I am told that a number of names were used for the project to ensure confidentiality. Within Tourism New South Wales it was referred to as "Project O". Oprah is sure to receive a fantastic welcome to Sydney. This is a phenomenal opportunity for us to offer our beautiful Opera House as a magnificent stage and to show the world the best that Sydney and, indeed, regional New South Wales has to offer.

The show will be filmed at the Sydney Opera House in mid December and two full episodes will be dedicated to Australia. The shows will be broadcast in the United States in January. This is the first time that Oprah Winfrey has taken her show outside North America, so it is a significant honour for Sydney and Australia to welcome her and her audience. We have already had fantastic exposure from *Oprah Winfrey Show* footage broadcast live in the United States. I have articles in the *New York Times* and the *Chicago Tribune*, which are prominently running the news.

CHAIR: Can you table those documents?

Ms KRISTINA KENEALLY: I am more than happy to do so.

Documents tabled.

Ms KRISTINA KENEALLY: We are finalising the Government's contribution, but it will be about \$1 million to \$2 million. The publicity that this event has generated has already repaid that amount in full. We simply could not buy that sort of publicity. The show will generate increased interest in New South Wales and Australia and provide a real boost in visitor numbers to our State. This is an opportunity for the eyes of the world's media to be on Sydney in December when our most famous icon will become known by Oprah fans across the world as the Sydney "Oprah" House. We look forward to the exposure that Sydney will receive.

On a serious note, this event is important because the United States visitor market is worth about \$500 million to New South Wales each year. The January broadcast of the shows coincides with our launch of Sydney tourism as part of the G'day USA program. Last financial year New South Wales welcomed 318,700 visitors from the United States, which was an 11 per cent increase, and those visitors spent more than four million nights in the State. More than 65 per cent of all United States visitors to Australia choose to visit Sydney during their trip, compared to just 26 per cent who choose to visit Melbourne. The audience that this event will attract provides us with a great opportunity. However, we cannot rest on our laurels if we want to see that sort of success continue. That is why the Government was very pleased to be able to partner with Tourism Australia. I also acknowledge partnerships with Qantas, Channel 10 and the Victorian and Queensland tourism authorities. This will be an amazing opportunity for tourism in New South Wales and, indeed, for Australia.

The Hon. PENNY SHARPE: What is the Government doing to target alcohol-related violence and antisocial behaviour?

Ms KRISTINA KENEALLY: This is an issue of great concern to the community. Alcohol-related violence and antisocial behaviour threaten our ability to have an enjoyable and safe night out free from harassment and violence. Parents in particular should be confident that their children will make it home safely at the end of the evening without being harassed or assaulted by someone affected by alcohol. This Government's approach to the problem is embodied in the Hassle Free Nights program. This action plan tackles head on the challenges of alcohol-fuelled violence. It targets unacceptable levels of alcohol-related problems in the most popular entertainment areas of Sydney and across the State. It also builds on the strong measures that have been implemented over the past few years to reduce the level of alcohol-related assaults and antisocial behaviour.

This program includes enhanced enforcement in high-risk precincts, targeting specific venues with the greatest numbers of alcohol-related assaults with the imposition of stringent new licence conditions and the application of a freeze on the granting of all new licences in locations in the Sydney local government area that already have a high density of licensed venues. Hassle Free Nights brings the community, the police, the pubs and clubs, and the late-night traders together so that we can collectively tackle antisocial behaviour. Legislation was enacted in June 2010 to implement several key initiatives, including the establishment of the precinct liquor accords. That legislation provided strong new powers to the Director General of Communities New South Wales to regulate trading hours for licensed venues.

Extensive consultation has been undertaken with the local government sector, the NSW Police Force, industry stakeholders and government agencies to reach agreements on the precinct liquor accord boundaries. These consultations have also served to start dialogue about the type of measures that need to be put in place to make these entertainment precincts strong, vibrant, safe places. Based on these consultations, the Director General of Communities New South Wales determined the boundaries of the precinct liquor accords. These newly published boundaries have led to more late-night trading premises being required to participate in the accords. In fact, 259 late-night trading venues are now required to participate across all the precinct liquor accords. In the Sydney central precinct there are 44 premises in Oxford Street, 8 in Kings Cross, 40 in George Street south and 12 in The Rocks. The Parramatta precinct has 21 identified premises, Wollongong has 13, Manly has 19, Newcastle has 38 and Hamilton has 14.

Importantly, Hassle Free Nights is not a blunt instrument. It is multi-disciplinary and multi-focused and it addresses negative behaviour and its underlying causes. A significant feature of the program has been the increased late-night public transport and taxi options. I am pleased to tell the Committee that all of the additional late-night transport initiatives announced under this program have been implemented. That includes seven additional secure taxi ranks in the Sydney central business district, Newcastle and Wollongong and several late-night bus services around Sydney and Parramatta. The secure taxi ranks have also shown high patronage figures. They are some of the most popular in the State.

Other significant actions undertaken to date include an online forum held in May to discuss the use of social networking technology and facilitating spontaneous gatherings of crowds in public or private spaces, and

the increased risk of alcohol-related incidents at such gatherings. Joint Communities NSW and New South Wales Police Force operations have taken place in July and August 2010 as part of a new approach to regulating karaoke bars. We have a joint marine industry compliance and safety team established to strengthen party boat regulation—

Dr JOHN KAYE: I would crack down on that too.

Ms KRISTINA KENEALLY: Are you interested in party boats?

Dr JOHN KAYE: No, I was worried about karaoke bars being regulated—what, for quality?

Ms KRISTINA KENEALLY: In terms of their licensing provisions.

CHAIR: Members will allow the Premier to give her answer.

Ms KRISTINA KENEALLY: Another is a cross-agency steering group to develop consistent communication messages and implement a coordinated individual responsibility campaign. If I can speak to that briefly, I went on a night patrol with the police at Wollongong. One of the police officers said to me that if more people took personal responsibility for their behaviour the job of the police would be much easier. Work is well progressed, in addition, on the first community liquor accord, which will be in place for the Bathurst 1000 V8 supercar race weekend in October. It is evident that Hassle Free Nights builds on the significant progress the Government has already made in driving down alcohol-related violence and assault across New South Wales. Only last week the director of the Bureau of Crime Statistics and Research reported that assaults in licensed premises fell by 10.8 per cent in the 24 months to June this year.

I advise the Committee that I will be meeting with emergency service workers in the near future to discuss this issue. Our front-line workers, including our police, our ambulance officers, our nurses and our doctors, often work in difficult and challenging circumstances. It is not acceptable that these front-line staff are abused, intimidated, threatened or even injured by violent drunks in the course of their work. The Government is confident the measures we have in place and that which Hassle Free Nights builds upon will continue to make our community safer and our entertainment precincts more enjoyable to visit.

The Hon. KAYEE GRIFFIN: Can you advise the Committee what benefits the economic stimulus package provided to the New South Wales economy?

Ms KRISTINA KENEALLY: Yes. Thank you for that question. Of course, as the Committee is probably aware, the economy has led the national recovery out of the global financial crisis and the New South Wales economy is still growing quite strongly. We have seen State final demand in New South Wales grow by 5.7 per cent in the 2009-10 year. That is above the national average of 5.3 per cent. New South Wales has now had six consecutive quarters of economic growth, more than can be said for Victoria, Queensland or Western Australia. Retail sales are up in New South Wales, and were higher than the national average in 2009-10. Dwelling approvals increased by 9.7 per cent in July—significantly above the national average of 2.3 per cent. Strong employment growth has seen more than 120,000 jobs created in the New South Wales economy since March 2009, 23,679 of them in August alone.

The New South Wales unemployment rate is now 5 per cent. That is a fall of half a percentage point since July, and that is below the national average of 5.1 per cent and below Victoria at 5.5 per cent and Queensland at 5.4 per cent. On a trend basis, jobs in New South Wales have grown for 18 consecutive months. The number of full-time jobs has grown for nine consecutive months, and 120,000 jobs have been created in New South Wales since March 2009. ANZ job advertisement data for August reveal newspaper job advertisements have risen by 6.6 per cent in our State compared with just 1.5 per cent nationally.

Of course, the New South Wales budget is back in surplus two years earlier than forecast, with a \$1.1 billion turnaround in 2009-10. Budget surpluses worth a combined \$3.5 billion are forecast for the next four years. In the wake of the global financial crisis the New South Wales economy has recorded an \$11.5 billion turnaround in the past year, and the prospects for future growth are good. Our triple-A credit rating is secure and we are in a position for further strong growth.

There is no doubt that the roll-out of the Federal economic stimulus package in New South Wales has contributed significantly to the success—100 per cent of the commitment we have made to the Commonwealth

for the construction of new social housing is now underway. That means over 6,000 new homes are completed or are under construction.. More than 1,500 homes have already been completed and approximately 1,000 homes a month will be handed over to the community housing sector over the next six months, and 99 per cent of New South Wales government education projects have commenced, with most to be completed by March 2011.

Approximately 75 new school facilities are starting to be used by school communities each week. Those results are why we can make the claim that New South Wales is leading the nation in the roll-out of the economic stimulus package and we are seeing the strong results in our economy. One only has to look at the advice provided by people such as Nobel Prize-winning economist Joseph Stiglitz that notes that the fast action by governments in Australia—both Commonwealth and State and certainly here in New South Wales, where we had a rapid roll-out of the economic stimulus package—has been the model that saved this country from recession and has been one of the best performing examples of an economy globally.

The Hon. MICHAEL GALLACHER: I direct a question to Brendan O'Reilly. Mr O'Reilly, could you indicate to the Committee what the Deputy Director General, Policy of the Department of Premier and Cabinet, Dahle Suget, received recently in her remuneration pay out?

Mr O'REILLY: Yes, I can. I will get it for you, Mr Gallacher. It went to the tribunal and the tribunal made a judgement. I will get you that information probably before we close.

The Hon. TREVOR KHAN: Premier, can I go briefly to one issue? There was a lot of evidence about Virginia Judge earlier. Can you tell me whether she has made a disclosure of actual or potential conflict of interest to you?

Ms KRISTINA KENEALLY: No, she has not, not to me.

The Hon. TREVOR KHAN: I am not being trite in that regard. Has she made a disclosure of an actual or potential conflict of interest to anyone in the Government?

Ms KRISTINA KENEALLY: I certainly cannot speak for everyone in the Government but I can speak for myself as Premier and no, she has not.

The Hon. TREVOR KHAN: Mr O'Reilly, has she made—

Mr O'REILLY: No, she has not. General Counsel in the Department of Premier and Cabinet would register it.

The Hon. TREVOR KHAN: That answers that question.

Mr O'REILLY: But what can happen is—and I will use this as an example only—if a person is a Minister and administers a grant program and that Minister knows a person or has a relationship with that particular organisation, it could be a non-government organisation or whatever, they can declare their conflict of interest and remove themselves from any decision with regard to the grant. That would not necessarily go on a register because the Minister would have that recorded in his or her office and they would need to make sure there is a record that they have excluded themselves from any of that decision-making. I hope that helps.

The Hon. TREVOR KHAN: Sure. But when somebody has removed themselves from that decision-making process that is not recorded on the register?

Mr O'REILLY: It may not be, but there would be a record of it by the very fact they have removed themselves.

The Hon. TREVOR KHAN: But does 3.3 of the code not require that where there is an actual or potential conflict of interest that had to be placed on the register?

Mr O'REILLY: Yes, it does. With regard to Minister Judge, I would have to check whether there is anything on a register. As I explained earlier, the General Counsel keeps the register.

The Hon. TREVOR KHAN: And you will find out that?

Mr O'REILLY: Yes, I will.

The Hon. TREVOR KHAN: Seeing we are talking about General Counsel now—in a sense that is the first time it has been identified and that is the person who does it, and I am not being critical—is there a protocol supplied by General Counsel with regard to the maintenance of that register, guidelines as to how he or she is to maintain the register?

Mr O'REILLY: Yes, there is and I can get those for you.

CHAIR: You will take that on notice?

Mr O'REILLY: Yes.

The Hon. TREVOR KHAN: Is there an audit process to ensure that General Counsel complies with the protocol that is in place for the maintenance of the register?

Mr O'REILLY: I will have to check that for you. The question you ask is that, logically, we should have an audit of that process but I would need to check whether an audit has been conducted.

The Hon. TREVOR KHAN: No, I did not ask whether one has been done. I might get to that later. I am just asking whether there is a process that deals with ensuring that in fact this is not a document or book in some form that simply gathers dust in a corner.

Mr O'REILLY: No, it certainly does not do that. If a matter was raised with the General Counsel that there was a possible conflict of interest, the General Counsel would follow that up and check to see whether there was a conflict of interest. If there is a conflict, it needs to get recorded on the register and a declaration made.

The Hon. TREVOR KHAN: I am not being rude; I understand that would be your expectation. In a sense what I am asking is: That being your expectation, how do you ensure that General Counsel actually does what he or she is supposed to do?

Mr O'REILLY: In the nine months of being there it has never arisen.

The Hon. TREVOR KHAN: Is that not half the issue? You have to have processes in place to ensure that things are happening without you having to wander into everyone's office in the place making sure that they are doing their job?

Mr O'REILLY: That is right.

The Hon. TREVOR KHAN: I am asking what that process is.

Mr O'REILLY: I am saying that it has never arisen. I would have to find out what the process is.

The Hon. TREVOR KHAN: And you will come back to us?

Mr O'REILLY: I will.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, whilst you are in the process of getting Ms Suget's information for the Committee, could you also, if you have a chance before the hearing concludes this evening, indicate to the Committee what Mr Wedderburn also received in his remuneration package? You might have that here, by the looks of things. There is a fair bit of excitement behind you.

Mr O'REILLY: We will dig that out for you.

Ms KRISTINA KENEALLY: All of your questions are exciting, Mr Gallacher.

The Hon. TREVOR KHAN: Do not overstate it.

Ms KRISTINA KENEALLY: Generosity is a virtue.

The Hon. MICHAEL GALLACHER: You are supposed to tell the truth under oath, remember that.

Ms KRISTINA KENEALLY: I am advised that \$165,630 in severance payments was paid to Graham Wedderburn and to Tim Gleeson. I am advised that that is the total figure for those two individuals. They received severance of six months pay pursuant to a recruitment attraction agreement. I am more than happy to provide the breakdown of the total figure amongst those two individuals. I can also advise that no staff member in my office has a recruitment attraction agreement in place.

The Hon. MICHAEL GALLACHER: You are still waiting for the other one to come back before we finish today. Have you got it now?

Mr O'REILLY: I can give that now: Dahle Suget, 38 weeks, \$262,450. There was also a request—I think it was from you, Reverend Nile—about the Aboriginal Trust Fund repayment scheme. The balance left as at 30 June 2010 was \$6,605,000.

CHAIR: Where does it go to now, if the fund is closed?

Mr O'REILLY: They are still processing applications.

CHAIR: People can still apply?

Ms KRISTINA KENEALLY: Yes.

The Hon. TREVOR KHAN: If my maths is correct, I have a figure so far on the three or four redundancies that we have talked about of something in the order of \$790,000 in redundancy payments in regard to the transition from Premier Rees—

The Hon. MICHAEL GALLACHER: And they are not even ministerial staffers.

The Hon. TREVOR KHAN: —to you.

Ms KRISTINA KENEALLY: That is not entirely correct.

The Hon. TREVOR KHAN: We might get to that. Are there any others?

Ms KRISTINA KENEALLY: No. As to the last individual that Mr Gallacher asked about, Dahle Suget, her employment was not terminated upon me becoming Premier.

The Hon. TREVOR KHAN: But she has been made redundant within a relatively—

Ms KRISTINA KENEALLY: It is not a correct characterisation, as you have put it, that it was as a result of the change of Premiers.

The Hon. TREVOR KHAN: Let us deal with this in a couple of ways. First, if it is not as a consequence of the movement from Premier Rees to Premier Keneally, why was she made redundant?

Ms KRISTINA KENEALLY: A decision was taken to recruit someone else to that role.

The Hon. TREVOR KHAN: And that is worth \$262,000 to the people of New South Wales?

Ms KRISTINA KENEALLY: It was a decision that we took, and I stand by it. Can I also provide you with some additional information, Mr Khan?

The Hon. TREVOR KHAN: It is pronounced "Kahn".

Ms KRISTINA KENEALLY: I am sorry; did I mispronounce your name?

The Hon. TREVOR KHAN: You did.

Ms KRISTINA KENEALLY: I am very sorry.

The Hon. TREVOR KHAN: It is not unknown.

The Hon. MICHAEL GALLACHER: It is the accent.

Ms KRISTINA KENEALLY: People often mispronounce mine as well, so I am sorry. I find it to be one of the most distressing things when people do not pronounce a name properly.

The Hon. TREVOR KHAN: There are many distressing things in my life, but anyway we will move on.

Ms KRISTINA KENEALLY: You are a member of the Opposition. I am advised that staff in the Premier's and Ministers' offices are employed as special temporary employees. That is in accordance with the Public Sector Employment and Management Act 2002. Staff in the office of the Leader and the Deputy Leader of the Opposition are employed under the same scheme. Redundancy payments have been made to former staff of Premiers Carr, Iemma, Rees and Deputy Premiers Watkins and Refshauge, just as they were for the former staff of Mr Collins, Ms Chikarovski, Mr Brogden, Mr Debnam and Mr Souris. If you would like us to provide you with the quanta of the staff of Mr Collins, Ms Chikarovski, Mr Brogden, Mr Debnam and Mr Souris, we are happy to give that to you.

The Hon. MICHAEL GALLACHER: I would be more than happy for you to do that, but I guarantee the ones that you are about to go through within the ministry will be a darn sight worse, with what you have gone through between just Mr Rees and you in terms of the number of people who have been sacked and their chiefs of staff.

Ms KRISTINA KENEALLY: Is that a question?

The Hon. MICHAEL GALLACHER: No, it is more a blatant observation.

CHAIR: We will keep to questions at this stage.

The Hon. TREVOR KHAN: So we are clear, even if we exclude Dahle Suget, who has gone for other reasons, are you able to identify—it is obviously not a memory test exercise—what the cost of the redundancies on your transition has been?

Ms KRISTINA KENEALLY: First of all, I am advised that the average compensation under Coalition members—

The Hon. TREVOR KHAN: Premier, with respect, I am asking what the cost is—

Ms KRISTINA KENEALLY: Mr Gallacher just asked a question and I can answer it.

The Hon. TREVOR KHAN: No, I am asking a question.

The Hon. MICHAEL GALLACHER: I did not ask a question; I made an observation, remember.

Ms KRISTINA KENEALLY: You were happy for me to provide the information.

CHAIR: He did ask—

Ms KRISTINA KENEALLY: Thank you, Reverend Nile.

The Hon. TREVOR KHAN: No, actually—

Ms KRISTINA KENEALLY: Sorry, the Chair is speaking.

CHAIR: He was happy for you to provide the information.

The Hon. MICHAEL GALLACHER: As well as hers.

Ms KRISTINA KENEALLY: I am advised that the average compensation under the Liberal members' offices was 48 weeks. I am advised that the average compensation under Labor is 24 weeks.

The Hon. TREVOR KHAN: Are you able to indicate what the cost is of the redundancy payments that have been incurred in the transition from Premier Rees to you?

Ms KRISTINA KENEALLY: I do not have a quantum but I am more than happy to take that on notice.

The Hon. TREVOR KHAN: I thought that would be the way we would go. I move on to another area. When did you first become aware that Ian Macdonald was going to appoint Karl Kazal as his personal envoy to the Middle East?

Ms KRISTINA KENEALLY: As I said in my House in response to a question from the Leader of the Opposition, I did not agree or proceed with a recommendation made by the former Minister, Ian Macdonald, to appoint Mr Karl Kazal as an honorary Sydney ambassador to the Middle East. He had no authority to make such an appointment.

The Hon. TREVOR KHAN: Was Karl Kazal performing the role of personal envoy or representative for the New South Wales Government or the Minister at any stage, that you are aware of?

Ms KRISTINA KENEALLY: I am aware that there is a letter from the former Minister to Mr Kazal that appointed him to such a position as you describe. I am not aware of any activities that Mr Kazal may have undertaken in that role. Certainly, as I have just said, Minister Macdonald had no authority, either from Cabinet or me, to make that appointment.

The Hon. TREVOR KHAN: Premier, are you aware whether Mr Kazal accompanied any Ministers of the Crown at any stage on trips to the Middle East?

Ms KRISTINA KENEALLY: I am advised that he never took an overseas trip that was funded by the State Government.

The Hon. TREVOR KHAN: That is not really what I asked. Did he accompany Ministers of the Crown on any trips to the Middle East?

Ms KRISTINA KENEALLY: I am not aware that he did. I am not aware of his activities. As I have just told you, I am advised that he never took an overseas trip that was funded by the State Government.

The Hon. TREVOR KHAN: Would it be of concern to you that, for instance, in January 2008 he accompanied then Minister Matt Brown on a trip to the Middle East?

Ms KRISTINA KENEALLY: I am not aware of that.

The Hon. TREVOR KHAN: That is not what I asked. Would it be a matter of concern to you if any member of the Kazal family companies accompanied a Minister of the Crown to the Middle East in or about January 2008?

Ms KRISTINA KENEALLY: Not in a general circumstance. And it certainly does not concern me any more than it would concern me that the Leader of the Opposition undertook Pollies for Small Business Day in the Kazals' cafe in The Rocks and wrote them a very appreciative thank you letter as a result of that. That does not concern me either. It is available on the Leader of the Opposition's website—the photo of him working in the Kazals' coffee shop.

The Hon. TREVOR KHAN: When did your deputy chief of staff brief you on the approach that had been made by Minister Macdonald with regard to the appointment of Karl Kazal as an envoy?

Ms KRISTINA KENEALLY: I am sorry, could you repeat the question?

The Hon. TREVOR KHAN: When did your deputy chief of staff brief you on the approach made by Ian Macdonald to appoint Karl Kazal as an envoy for the New South Wales Government?

Ms KRISTINA KENEALLY: In fact, former Minister Macdonald's approach to my office was rejected before I was even briefed on it. I only became aware of these circumstances following recent media enquiries. His request did not proceed in any way within my office.

The Hon. TREVOR KHAN: I did not ask that. When did he apprise you of the approach?

Ms KRISTINA KENEALLY: I have just answered that question, if you check the transcript.

The Hon. TREVOR KHAN: Why was the approach rejected by your deputy chief of staff?

Ms KRISTINA KENEALLY: This was an appointment that was put up under the previous Premier. The previous Premier's office and the previous Premier had rejected that. We saw no reason to overturn that decision. Indeed, my Government has instituted a review of the entire ambassador program. I say this quite frankly as someone who was appointed by Premier Iemma to serve as an ambassador to the United States—

CHAIR: Honorary ambassador.

Ms KRISTINA KENEALLY: Yes. Thank you, Reverend Nile. I was appointed to serve as an honorary ambassador. We as a Government were coming to a view that the ambassador program, as it had been configured and implemented, may not be providing the best value to government. We therefore, rather than appoint additional ambassadors, took the view that the entire program needed to be reviewed. That review is happening now.

The Hon. TREVOR KHAN: There had been two approaches for the appointment of Mr Kazal. On the second occasion—by your deputy chief of staff, I take it—the approach was rejected, is that right?

Ms KRISTINA KENEALLY: Based on the view that it had already been rejected once, and on the view—and my deputy chief of staff was certainly aware of my views, as he is someone who has been employed by me since I was appointed an ambassador—that we had not been getting sufficient value out of the ambassador program, I was strongly of the view that it was something that needed to be reviewed. In fact, that is precisely what is now happening.

The Hon. TREVOR KHAN: So he was rejected not on the basis of any personality quirks or the like, but on the basis that there were too many of them or—?

Ms KRISTINA KENEALLY: Again, the transcript will reflect that I have just outlined to you two reasons. First, it had already been rejected by the former Premier and did not proceed through to Cabinet, and there was no reason with which to quarrel with that previous decision. There was also a strong view that I had that the program itself needed to be reviewed, and that is precisely what is happening.

The Hon. TREVOR KHAN: May I turn to a brief issue relating to travel. Again, it involves the Middle East. In November 2007 you did a four- or five-day jaunt to the Middle East, is that the case?

Ms KRISTINA KENEALLY: No. What I did was lead a women's business delegation to Dubai and Abu Dhabi. We took a delegation, from memory—and I would have to check—some 30 women business owners or operators from here in New South Wales.

The Hon. TREVOR KHAN: And Mr Tripodi's chief of staff?

Ms KRISTINA KENEALLY: Yes, indeed, because he was the Minister for Small Business. However, as you will appreciate I am sure, it would be most appropriate to take a female Minister, rather than a male Minister, on a women's business delegation to the Middle East. I also note that Minister Firth undertook a similar trip in the same portfolio.

The Hon. TREVOR KHAN: About a month later, with her deputy chief of staff?

Ms KRISTINA KENEALLY: I cannot recall who she took with her in terms of staffing.

The Hon. TREVOR KHAN: What was Minister Ian Macdonald's involvement in the organisation of those jaunts?

Ms KRISTINA KENEALLY: First of all, I reject your characterisation of them as "jaunts". I would also note that the Leader of the Opposition has spoken about the value of face-to-face business exchange and has spoken quite highly of his determination that that occur. Secondly, on the issue of Ian Macdonald, I have no memory or recollection of his involvement.

The Hon. TREVOR KHAN: How does Matt Brown about a month later fit into these excursions to the Middle East?

Ms KRISTINA KENEALLY: Again, I would reject your characterisation. Again, I have no recollection whatsoever that Mr Brown was involved in my leading the delegation to Abu Dhabi and Dubai.

The Hon. TREVOR KHAN: But we had three Ministers within three months go on trips for four days to the Middle East. Do you get a bulk discount on fares? It seems to be a heck of a lot of short trips to the Middle East.

Ms KRISTINA KENEALLY: Do you have a question?

The Hon. TREVOR KHAN: What was his reason for being there?

Ms KRISTINA KENEALLY: I do not know. I was not his Minister; I was not involved with his trip. We are happy to take that on notice and provide you with information.

The Hon. TREVOR KHAN: Thank you. Would you also try to see if you can identify any other Ministers who had been doing their sabbatical in the Middle East as well?

Ms KRISTINA KENEALLY: Do you have a particular concern about the Middle East that we should know about?

The Hon. TREVOR KHAN: No. I am just interested in the commonality of destinations.

Ms KRISTINA KENEALLY: Certainly the New South Wales Government has indicated its commitment to expanding our business opportunities for our State in Abu Dhabi and Dubai. We have opened a trade office in Abu Dhabi, and there is significant both governmental and private sector business interchange with that region. In fact, I am aware that, for example, the New South Wales education curriculum is something that the Abu Dhabi Government takes great interest in and, as I understand, has implemented in Abu Dhabi. We have a significant presence there in that form, and as a Government we will continue to aggressively pursue business opportunities to the benefit of the State, whether it be in India, Abu Dhabi or Dubai, or in China. Again I note that the Leader of the Opposition has spoken quite positively about the value of such activity undertaken by government.

Dr JOHN KAYE: Premier, in answer to a question from me earlier this afternoon about the State Plan you talked about the Federal Government's 20 per cent renewable energy target, and you talked about implementing that renewable energy target here in New South Wales. Premier, are you saying that your Government is committed to building 20 per cent renewable energy here in New South Wales?

Ms KRISTINA KENEALLY: I can provide you with some additional information from when you asked your question. Let us see if we can assist you.

Dr JOHN KAYE: Is this information in response to my previous question or the question I have just asked?

Ms KRISTINA KENEALLY: A bit of both.

Dr JOHN KAYE: Excellent.

Ms KRISTINA KENEALLY: You are correct that we did change our targets as part of the 2010 State Plan. That, as I indicated before, was undertaken as a result of community consultation to build on the gains that were undertaken since the 2006 State Plan and also to better align with the Australian Government targets. You will recall that between 2006 and 2010 we had a change of Federal Government. Some of the changes in terms of CO² and our 2025 targets include: first, replacing the greenhouse gas targets with a more ambitious agenda to cut emissions by at least 5 per cent by 2020, instead of just stabilising them by 2025; second, increasing the proportion of renewable energy consumption from 15 per cent to 20 per cent by 2020, in line with the Australian Government; third, including new annual electricity savings target energy efficiency of 4,000 gigawatt hours, through energy-efficiency programs, by 2014; and, fourth, increasing participation in green-skills training to 5 per cent by 2013. I am happy to elaborate on the initiatives that we have in place—

Dr JOHN KAYE: I want to ask you about two things you just said. First, you said that you have replaced the target of returning to the year 2000 levels by 2025 by a 5 per cent cut by 2020. You are saying that the target—

Ms KRISTINA KENEALLY: This will go a lot faster, Mr Khan, if you face this way.

The Hon. TREVOR KHAN: It is less painful if I turn around.

Ms KRISTINA KENEALLY: It is most painful if I face you, but I do it anyway.

Dr John KAYE: Are you saying that 5 per cent reduction by 2020 was in the State Plan?

Ms KRISTINA KENEALLY: I am saying that the changes that we have introduced include as I have just outlined.

Dr JOHN KAYE: You are saying that the State Plan had a 5 per cent reduction by 2020? Is that what you are telling the Committee?

Ms KRISTINA KENEALLY: Yes, what I am telling you is that our priorities—

Dr JOHN KAYE: Could you give us a number within the State Plan where that occurs?

Ms KRISTINA KENEALLY: I do not have the State Plan in front of me but I am happy to come back to you on that.

Dr JOHN KAYE: I take you to the second issue you raised, which was 20 per cent renewable energy target consumption in New South Wales?

Ms KRISTINA KENEALLY: Correct, by 2020.

Dr JOHN KAYE: The operative word is "consumption" of course. All you are doing there is reiterating a Federal law when you say that.

Ms KRISTINA KENEALLY: That is correct.

Dr JOHN KAYE: My question was not in respect of consumption, but what you said before was production, which is entirely different because it is possible—

Ms KRISTINA KENEALLY: I do not recall saying that, but if I did—and you may have a better memory than I on that—what I am advising you is, you are correct, to align with the Australian Government target for consumption.

Dr JOHN KAYE: That is not a target; it is the law. What you are saying is that, in fact, you do not have a production target in New South Wales. Your target is consumption.

Ms KRISTINA KENEALLY: We have a consumption target, yes.

Dr JOHN KAYE: Like your predecessors, you are happy to import it from South Australia—

Ms KRISTINA KENEALLY: In fact, Dr Kaye, we have made a number of changes to accelerate and encourage the take-up of renewable energy production in New South Wales. I would refer you to our gross feed-in tariff—

Dr JOHN KAYE: Yes, I am aware of that.

Ms KRISTINA KENEALLY:—which has been highly successful, very successful. Secondly, I would refer you to the changes introduced in relation to planning processes for renewable energy projects. I can catalogue those for you now or provide you with them in writing. Thirdly, I would point you to the fact that New South Wales has the most generous support, \$120 million, for the Solar Flagship program of any jurisdiction in Australia.

Dr JOHN KAYE: It is still true, is it not, that New South Wales, in terms of renewable energy production, particularly in the wind area, which is the largest non-hydro source of renewable energy in Australia, lags badly behind Victoria and South Australia?

Ms KRISTINA KENEALLY: Which is exactly why we have put those measures I have just outlined in place.

Dr JOHN KAYE: But no target in the State Plan?

Ms KRISTINA KENEALLY: Again, I have just outlined for you the targets in the State Plan and the measures that we have put in place. You and I may disagree on the method by which we achieve more renewable energy production but we certainly share a commitment to doing that.

Dr JOHN KAYE: You are saying that there is a target for renewable energy in the State Plan apart from the 4,000 gigawatt hours?

Ms KRISTINA KENEALLY: As I have just said, Dr Kaye, you and I might disagree about the method by which we achieve more renewable energy production in New South Wales but we certainly do not disagree on the goal of achieving that.

Dr JOHN KAYE: You will get back to me with the number within the State Plan—the 5 per cent by 2020?

Ms KRISTINA KENEALLY: I do not have the State Plan in front of me.

Dr JOHN KAYE: Can we briefly go to health reforms?

Ms KRISTINA KENEALLY: Yes.

Dr JOHN KAYE: A very exciting and interesting area but an area, of course, fraught with difficulty. One of those difficulties I wish you to comment on is: At what point did you become aware in the process of negotiating with the Commonwealth Government that a number of senior Health bureaucrats here in New South Wales had—I do not want to put this too strongly—some reservations about casemix funding as a mechanism for delivering funds to hospitals?

Ms KRISTINA KENEALLY: In fact, not only did Health bureaucrats have concerns about casemix funding, the Government had concerns and I expressed those quite publicly from the point at which the proposal was announced. Particularly, our concern about the impact of casemix funding on rural and regional hospitals, and what the removal of block funding would mean for hospitals that would not be sustainable under a casemix formula. Not only was I aware very early in the piece about concerns raised by Health bureaucrats, I expressed those publicly.

Dr JOHN KAYE: Let us leave rural and regional hospitals, which have been exempt from casemix funding in New South Wales and are to continue to be block funded. That is a good thing. I think everybody in this room would probably agree that is a good thing. Let us go to the urban hospitals and the large Newcastle, Wollongong and Sydney hospitals, which will be exposed to casemix funding and have different problems with casemix funding than the smaller rural hospitals. At what point were you aware that there were concerns about the problems with casemix funding for those hospitals?

Ms KRISTINA KENEALLY: Do you have a document that suggests that there are concerns.

Dr JOHN KAYE: No—well I do actually. It is the budget estimates transcript from yesterday morning where both Dr—I am struggling for his name—the deputy director—

Mr O'REILLY: Richard Matthews.

Dr JOHN KAYE: Thank you. Dr Matthews and Professor Picone expressed reservations—I will not say they were opposed—or sounded warnings about some of the things that might happen under casemix funding. At what point did you become aware of their concerns other than in respect of rural and regional hospitals?

Ms KRISTINA KENEALLY: I must say that I had a number of conversations over the entire period of the negotiation with Dr Richard Matthews. Not only was he involved in providing advice to the Department of Premier and Cabinet, as was Treasury, but through the negotiations I had with me the head of the Department of Premier and Cabinet, Mr O'Reilly, Dr Matthews and the Secretary of Treasury, Michael Schur. All we sought to do was to get the best outcome for New South Wales. Yes, this is a significant shift for our health system. We went to Canberra to achieve the provision of block funding to continue in certain circumstances, and that was achieved.

Dr JOHN KAYE: What about the other hospitals? Do you still have reservations about the impacts for the big city hospitals?

Ms KRISTINA KENEALLY: Do I have concerns about the impacts?

Dr JOHN KAYE: Of case mix funding?

Ms KRISTINA KENEALLY: No. In fact, I welcome the COAG health reforms because for the first time we will see the Commonwealth taking up the dominant share of funding and for the first time we have a clear split of 60:40, which means we do not have to every five years go back and negotiate a health agreement. I do note that what the COAG did agree to do was to work on a nationally consistent approach to activity-based funding for health services, as well as noted that some hospitals will continue to be funded under block arrangements.

CHAIR: Minister, I note in the budget papers the New South Wales Electoral Commission is anticipating a dramatic increase in its budget next year. I know much of it relates to the State election, but the increase seems to be very high. For 2009-10 the budget was \$21 million. The budget papers show that for 2010-11 it is \$65.5 million, a \$44 million increase. How does that figure compare with previous election years?

Ms KRISTINA KENEALLY: Thank you, Dr Nile.

The Hon. MICHAEL GALLACHER: Dr Nile?

Ms KRISTINA KENEALLY: Reverend Nile. I should confess it was a long-held goal of mine to be a reverend, but alas.

CHAIR: I know you have your theology studies.

Ms KRISTINA KENEALLY: I did get them done. Unfortunately, I was not able to proceed to the level that Reverend Nile did.

The Hon. TREVOR KHAN: You never know. It might be another opportunity waiting.

Ms KRISTINA KENEALLY: Fortunately, we are not discussing the Catholic Church here today. Thank you, Reverend Nile, for that question. Total expenses include \$37 million to conduct a 2011 general election. What the budget papers show is \$21 million budgeted in 2009-10 and \$65 million budgeted in 2010-11. You are correct, that is a significant variation. It includes \$37 million to conduct the election. It also includes money for capital expenditure, including \$1.5 million to develop the new i-voting system to assist blind and visually impaired voters, \$1.5 million to finalise the development of the smart-roll system and \$3.4 million

for election management and application software enhancements. It also includes half a million dollars for computer hardware and furniture. I understand there is also an increase of \$1.56 million for operating expenditures in the budget.

CHAIR: As you are aware, Premier, New South Wales State elections have optional preferential voting as distinct to the Commonwealth, which has full preferential.

Ms KRISTINA KENEALLY: That is correct.

CHAIR: Will there be an education campaign by the Electoral Commission to educate voters that they can vote more than "1" on the ballot paper, given that some parties campaign with posters saying "vote 1 only"?

Ms KRISTINA KENEALLY: I recognise your question in relation to the difference between the State and Commonwealth systems and note, in fact, that there have been calls in the past to harmonise the system between the State and Federal governments. That is something worth considering, but recognising that this election will be conducted under the current system. Of course, the Electoral Commission does provide that sort of information. I am quite happy to make them aware of the suggestion that you have made.

CHAIR: I note in the budget papers that there have been 1,550 government appointments. What percentage of those appointments are women?

Ms KRISTINA KENEALLY: That is a very good question, Reverend Nile.

CHAIR: And what process is in place to encourage 50:50 representation?

Ms KRISTINA KENEALLY: I am aware that the Minister for Women has been doing some work in this area. I do not seek to anticipate any decisions or announcements she might be making. I would flag there has been some substantial work underway in the Minister for Women's portfolio. I am just looking to see if we can provide you with that figure. It will take a moment to locate it in the vast paperwork we have here to support us. Once we find it I will advise you.

CHAIR: I will move on to another target, but I do not believe the budget papers have given a figure. What is the target figure for the number of apprentices to be employed in the government sector?

Ms KRISTINA KENEALLY: That is also information we can provide for you. Whilst we are seeking to secure that information, which I understand is at hand, I can provide some information for a previous question to Mr Gallacher. I am advised that Mr Wedderburn's payout was \$97,498. I am advised that Mr Gleeson's payout was \$68,131.

As for the apprenticeships and cadetships question that you asked, yes, the Government has announced 4,000 new apprentices and 2,000 new cadets that will be employed over the next four years. Since the beginning of 2009 a total of 2,264 young people started an apprenticeship and 512 had started a cadetship. They work in transport, energy, water supply, human services, health, housing and environmental management. That is for the apprenticeships. Cadets work in office administration, customer service, health care, IT support and tourism. Of course, these apprenticeships and cadetships are available both in Sydney and in regional centres. On the issue of the percentage of women on boards and committees, we will take that on notice and come back to you. The figure does exist. We simply do not have it at hand.

CHAIR: In view of the unexpected and serious earthquake in Christchurch, what progress is being made on the national warning system? Apparently New South Wales plays a role in helping to develop that system.

Ms KRISTINA KENEALLY: That is correct.

Dr JOHN KAYE: Do you mean a national tsunami warning system or a national earthquake warning system?

CHAIR: It is called the National Warning System. I assume it covers all disasters.

Dr JOHN KAYE: I do not think you can have warnings of earthquakes.

Ms KRISTINA KENEALLY: We have a national emergency warning system, which we are implementing here in New South Wales. Emergency Alert, which is the national emergency warning system, has been available for use by jurisdictions since 1 December 2009. This has been a COAG initiative. It has been used operationally by the Rural Fire Service, the State Emergency Service and the State Emergency Operations Centre. A number of areas are serviced by the system, including Coonamble, the Southern Highlands and Bulli. Feedback from the community has been generally positive.

The system, as it currently stands, does require some manual intervention from a Telstra help desk to issue a message. A fully automated version of Emergency Alert currently is undergoing user acceptance testing and it is anticipated to be completed this month. The next stage of this project has now commenced. It involves the examination of the potential for implementing a capability to send messages to the specific location of a mobile phone. We have completed a feasibility study for a location-based solution and the Federal Government has been informed of its outcomes.

Due to the recent Federal election there has been no further progress on this particular matter through COAG. The project is led by a steering committee that is co-chaired by the Commonwealth and Victoria, with input from all other jurisdictions. Multijurisdictional working groups have been established to undertake work such as engagement with telecommunication providers.

Governance arrangements that were established in New South Wales for the implementation of Emergency Alert will continue with key New South Wales emergency management agencies represented on interagency steering and implementation groups. The project is led by the Department of Premier and Cabinet and we are in the process of recruiting for a temporary part-time project manager to further progress to the second stage of the Emergency Alert project. This system addresses the 2007 New South Wales election commitment to introduce a new early warning mobile phone based alert system, which can send messages to all phones in a target zone.

CHAIR: We will now move to the portfolio of Redfern Waterloo.

ROY WAKELIN-KING, Chief Executive Officer, Redfern Waterloo Authority, and Managing Director, Australian Technology Park Precinct Management Limited, sworn and examined:

The Hon. MICHAEL GALLACHER: Premier, you indicated earlier that Premier Iemma had asked you to become the honorary ambassador for the United States.

Ms KRISTINA KENEALLY: One of several, yes.

The Hon. MICHAEL GALLACHER: One of several ambassadorships for you?

Ms KRISTINA KENEALLY: No, to the United States. There are a number of other people who hold that position.

The Hon. MICHAEL GALLACHER: Obviously you would have put that onto the registry of Minister's interests?

Ms KRISTINA KENEALLY: No. It was a part of my job as a member of Parliament.

The Hon. MICHAEL GALLACHER: But if you got a formal title would you not have indicated—

Ms KRISTINA KENEALLY: It was an honorary position.

The Hon. MICHAEL GALLACHER: So you saw no reason to put that onto the registry?

Ms KRISTINA KENEALLY: Why would I put that on the registry?

The Hon. MICHAEL GALLACHER: That you have been given an honorary title by the Premier?

Ms KRISTINA KENEALLY: Indeed, and I represented the Government and led the Government delegation to G'Day USA for two weeks.

The Hon. MICHAEL GALLACHER: And you have had a series of meetings, I take it, over the period of time you have been the honorary ambassador?

Ms KRISTINA KENEALLY: I led the Government delegation to G'Day USA. That was the substantial role that I undertook under that position.

The Hon. MICHAEL GALLACHER: Can you give an indication as to how many meetings over the period of time that you have been the ambassador that you have represented the Government in that capacity?

Ms KRISTINA KENEALLY: As I just said, the primary responsibility was in relation to leading the New South Wales Government delegation to G'Day USA. There would have been a handful of meetings at best.

The Hon. MICHAEL GALLACHER: How many other ambassadors for the United States are there?

Ms KRISTINA KENEALLY: I cannot answer that question but I am aware that at the time that I was appointed by the Premier that also included Mr Peter Holmes à Court, Mr Russell Crowe, Ms Layne Beachley.

The Hon. MICHAEL GALLACHER: So you were the only Minister, that you are aware of, that was given the honorary ambassadorship to the United States?

Ms KRISTINA KENEALLY: I am aware that Mr Henry Tsang held a similar position in relation to China.

CHAIR: You mentioned the Premier—

Ms KRISTINA KENEALLY: Iemma.

The Hon. MICHAEL GALLACHER: Moving on to another issue, can you indicate to the Committee how many times Sam Dastyari has attended Cabinet meetings?

Ms KRISTINA KENEALLY: He has never attended Cabinet meetings.

The Hon. MICHAEL GALLACHER: Has he been asked to attend and has not attended?

Ms KRISTINA KENEALLY: He has never been asked to attend nor would he be.

The Hon. MICHAEL GALLACHER: How many times has he attended caucus meetings?

Ms KRISTINA KENEALLY: He has never attended a caucus meeting.

The Hon. MICHAEL GALLACHER: Are you proposing to have him attend Cabinet meetings into the future?

Ms KRISTINA KENEALLY: No.

The Hon. MICHAEL GALLACHER: You saw the media commentary in relation to this view, that you were having him involved in Cabinet meetings? Can you indicate where you believe that came from?

Ms KRISTINA KENEALLY: I would not begin to speculate as to where members of the media get their information.

The Hon. MICHAEL GALLACHER: Have you spoken to Mr Dastyari about that article?

Ms KRISTINA KENEALLY: Yes. We had a good laugh about it.

The Hon. MICHAEL GALLACHER: On 25 August you indicated that you would unveil a platform for change in coming days. Have you unveiled that, because we have missed it if you have, I am sorry. This might be an opportunity for you to put it on the record.

Ms KRISTINA KENEALLY: I am here to answer questions about the Department of Premier and Cabinet. I am not here to make a series of announcements, and I am certainly not going to be discussing with you today the announcements I will be making in coming days. But I would note that last week I announced my intention to put before the Parliament a resolution to form a joint select committee on parliamentary procedure changes. I met with the Leader of the Opposition and the Leader of The Nationals on Friday to discuss the terms of reference for that committee. That sort of approach is the type of approach that I have brought and will continue to bring into government.

CHAIR: It will go to the Legislative Assembly?

Ms KRISTINA KENEALLY: It is in regard to the procedures of both Houses, noting that a number of the changes that have been put forward at the Federal level would affect both Houses, and the terms of reference will be looking at the changes that are being considered by the Commonwealth. Some of those things, such as the number of sitting days, would obviously affect both Houses. The lower House might also be well informed by some of the changes that have been put forward at the Federal level and have already been implemented in our upper House, such as time limits on questions during question time.

The Hon. MICHAEL GALLACHER: Apart from sitting days, what other things do you believe that the upper House can learn from your model, given that we have already put through substantial changes in the last few years?

Ms KRISTINA KENEALLY: That is not what I just said. I said the reason—

The Hon. MICHAEL GALLACHER: You said both Houses.

Ms KRISTINA KENEALLY: Yes, both Houses would be affected by a change, if there were to be one, in the number of sitting days. Both Houses could potentially be affected by some of the changes to procedures for the introduction of legislation, should that occur. There are things that we have already done, and

New South Wales should be proud of its record on changes to parliamentary procedure, and there are some things that the committee would ultimately benefit from advice from both Houses to each other. I would say, without seeking to characterise the views of the Leader of the Opposition or the Leader of The Nationals, that we had a very productive discussion and in general terms we had a very positive discussion where we agreed on more than we disagreed.

CHAIR: Will you discuss some of these things with the Leader of the Opposition in the upper House?

Ms KRISTINA KENEALLY: The resolution will originate in the lower House, and the Leader of the Opposition, I presume, is able to speak to his own party members.

The Hon. MICHAEL GALLACHER: So apart from your Legislative Assembly reforms, can you indicate the platform for change in coming days—is it days, weeks or months?

Ms KRISTINA KENEALLY: It would be at a time of my choosing, thank you, Mr Gallacher.

The Hon. MICHAEL GALLACHER: In that case we are making it up as we go.

Ms KRISTINA KENEALLY: Mr Gallacher, your rude comments do not serve you very well.

The Hon. LUKE FOLEY: What about Redfern Waterloo?

The Hon. MICHAEL GALLACHER: We will get to a serious question then.

Ms KRISTINA KENEALLY: I am waiting for a question on Redfern Waterloo.

The Hon. MICHAEL GALLACHER: We have many other questions, but I am sure you will be happy to answer this one. Did your office leak the story to the *Sydney Morning Herald* about Verity Firth failing to take the school heaters policy to Cabinet?

Ms KRISTINA KENEALLY: We had inquiries from the media.

The Hon. MICHAEL GALLACHER: I asked whether your office leaked it to the media.

Ms KRISTINA KENEALLY: No, we responded to inquiries from the media.

Dr JOHN KAYE: Are you saying that your office did not leak that story?

Ms KRISTINA KENEALLY: No. If you were to look at the transcript from the Minister's press conference on the day, you would see that she was asked questions about the Cabinet process.

The Hon. MICHAEL GALLACHER: Did you make inquiries about how the media found out from your office in the first place?

Ms KRISTINA KENEALLY: As I just said, if you were to look at the transcript of the press conference, you would see that the Minister was asked questions on that very subject.

The Hon. MICHAEL GALLACHER: She did not look happy that day, did she?

Ms KRISTINA KENEALLY: I will not speculate on her emotional state. However, I make it clear that I take Cabinet processes very seriously and I insist in government that we have a thorough Cabinet decision-making process so that we can tell the people of New South Wales what we will do and how we will fund it.

The Hon. MICHAEL GALLACHER: Does the process you are committed to ensure that the media are well and truly briefed before you are asked a question about your position?

Ms KRISTINA KENEALLY: That is ridiculous.

The Hon. MICHAEL GALLACHER: What is the status of the heater rollout?

Ms KRISTINA KENEALLY: The Minister has brought a proposal before Cabinet and we will consider it in the Cabinet Budget Review Committee process.

The Hon. MICHAEL GALLACHER: How long will it take to replace all of the heaters in schools?

Ms KRISTINA KENEALLY: Again, I am not in a position to answer that question because the Government has not adopted its rollout program. That is precisely the point of the Cabinet process. As you would possibly be aware, we have an initial \$15-million replacement program for schools in the coldest parts of the State, and it is underway. We need to ensure that any replacement program provides good value to the taxpayers, and I make no apology for that. The Government will consider a range of factors, including the environmental and health impacts of any alternative heating source. We will make an announcement about the details of the replacement program only when those factors have been thoroughly investigated and considered.

The Hon. MICHAEL GALLACHER: Is it correct that your office currently employs 28 staff?

Ms KRISTINA KENEALLY: Yes. I am advised that that is one less than our allocation.

The Hon. MICHAEL GALLACHER: Why is that more than the number employed by Nathan Rees, your predecessor?

Ms KRISTINA KENEALLY: I am advised that that is not accurate.

The Hon. MICHAEL GALLACHER: Why is it not accurate?

Ms KRISTINA KENEALLY: I am advised that that is not the case. I am happy to provide you with the staffing numbers.

The Hon. MICHAEL GALLACHER: Are you saying that your numbers are exactly the same as the former Premier's?

Ms KRISTINA KENEALLY: I am advised that they are less. I am also advised that we came in under budget during the period in which I was Premier last financial year.

The Hon. MICHAEL GALLACHER: Mr O'Reilly, are there any ministerial advisers with arrangements for redundancy payouts that are greater than the Department of Premier and Cabinet guidelines?

Mr O'REILLY: No.

The Hon. MICHAEL GALLACHER: How many ministerial advisers have been made redundant by the Government?

Mr O'REILLY: I would have to get you that information. Over what period?

The Hon. MICHAEL GALLACHER: In the time you have been there.

Mr O'REILLY: I will take that question on notice.

The Hon. MICHAEL GALLACHER: How many excess employees are there in the public service?

Mr O'REILLY: About 330.

Dr JOHN KAYE: Across the entire public service?

Mr O'REILLY: Yes.

Dr JOHN KAYE: Does that include state-owned corporations?

Mr O'REILLY: No, they are public servants only. As at 31 August there were 285 excess employees. Of them, 245 were excess for less than 12 months and 40 were excess for more than 12 months. Those people are being worked through the system as we speak.

The Hon. MICHAEL GALLACHER: What is the annual cost of those excess public servants?

Mr O'REILLY: All of the 285 excess staff members are doing meaningful work. Their jobs have been declared excess and the rule is that they have 12 months during which we try to find them alternative work within the public sector. If no suitable position is found during that time, we then work through the system to move them out. About 40 employees have been deemed excess for more than 12 months and we are working on their transition now.

Dr JOHN KAYE: So that we can benchmark that, how many people are employed in the public sector?

The Hon. MICHAEL GALLACHER: This is the time for Opposition questions. Premier, I draw your attention to your website, which shows that 26 staff are employed—

Ms KRISTINA KENEALLY: Where?

The Hon. MICHAEL GALLACHER: You have 28 staff in your office and Mr Rees employed 26.6 staff members.

Ms KRISTINA KENEALLY: I am not aware of that, but I am happy to take the question on notice and to provide you with the information we have. I am advised differently and I will provide you with that information.

The Hon. MICHAEL GALLACHER: If your previous answer is incorrect, will you withdraw it?

Ms KRISTINA KENEALLY: Absolutely.

CHAIR: You will take that question on notice and provide a comparison?

Ms KRISTINA KENEALLY: Absolutely.

The Hon. TREVOR KHAN: That was a knowing look.

The Hon. MICHAEL GALLACHER: I am sorry I missed it.

The Hon. TREVOR KHAN: You answered a question earlier about the Parramatta to Epping railway line. How long before the meeting of the Cabinet Budget Review Committee did you become aware of a proposal with regard to Federal Government funding for a major rail project in New South Wales?

Ms KRISTINA KENEALLY: I had been in discussions for some time with the Commonwealth Government about the potential for it to invest in Sydney's transport system. Of course, Transport NSW had been providing advice about our Infrastructure Australia submission. The Commonwealth changed some of the criteria—

The Hon. TREVOR KHAN: Yes, but can we cut to the chase? When did you become aware that the Commonwealth Government was proposing to lob about \$2 billion into New South Wales?

Ms KRISTINA KENEALLY: The specific offer should not be necessarily so easily dissected from the general discussions that I had. In fact, I had a discussion with Prime Minister Kevin Rudd when I met with him on the Central Coast about Sydney's land use and transport infrastructure. I have also had a number of discussions with Julia Gillard—

The Hon. MICHAEL GALLACHER: Feel free to continue.

Ms KRISTINA KENEALLY: My time has expired.

The Hon. MICHAEL GALLACHER: That has not stopped you before.

Dr JOHN KAYE: I refer to a previous question—

The Hon. LUKE FOLEY: Could you be bothered asking a question about Redfern-Waterloo?

Dr JOHN KAYE: I will if I am given the opportunity. I would like to benchmark the figures provided previously about the number of people on the unattached list and those who have been on that list for more than 12 months. How many full-time equivalent public servants are there in New South Wales?

Mr O'REILLY: The total is 316,686.

Dr JOHN KAYE: Will you provide on notice the number of people on the unattached list as a percentage of the total number of full-time equivalent public servants? Will you also provide the amount spent on the 40 people on that list for more than 12 months as a percentage of the salaries budget, including on-costs?

Mr O'REILLY: Yes.

Dr JOHN KAYE: Can we now go to Redfern-Waterloo, for the sake of Mr Foley if for no other reason? Can we talk about the voluntary planning agreements and affordable housing levies that have been implemented in the Redfern-Waterloo area? Verbally can you give us a ballpark figure and, if necessary, give us a more accurate figure on notice? How much has been raised so far by those agreements?

Mr WAKELIN-KING: I can advise that the Redfern-Waterloo Authority and Frasers Property have entered into a voluntary planning agreement for the payment of \$32 million over the course of six years. I should note for the Committee's benefit it is just over \$32 million and I can get the precise figure for you. Those payments were to be made in \$6 million instalments. We have received two of those instalments over the course of the last financial year and on 1 July this financial year, being a total of \$12 million.

Dr JOHN KAYE: Have any affordable housing levies been collected so far, for example, from the RSL site or Rachel Forster?

Mr WAKELIN-KING: We are currently in negotiations with the appropriate parties because the RSL site has agreed to make it a value-in-kind payment. In terms of the affordable housing contribution, I need to take that on notice and I will get back to the Committee.

Dr JOHN KAYE: With the RSL site, can you provide the Committee with details as to what that value in kind is, what its value is, and what you are going to do with it?

Mr WAKELIN-KING: The agreement will be with the Department of Planning who is the consent authority, but I can advise that the in-kind agreement that is currently under consideration will be for enhancement to Redfern Lane, which is the connecting point between Gibbons Street and Regent Street, and the enhancement of that lane to the public benefit.

Dr JOHN KAYE: And Rachel Foster?

Mr WAKELIN-KING: Rachel Foster I will have to take on notice.

Dr JOHN KAYE: So you have at least \$12 million out of a voluntary planning agreement for affordable housing. Can you give us an indication of what you spent that on?

Mr WAKELIN-KING: At this stage the Redfern-Waterloo Authority is currently preparing an affordable housing strategy, which it will bring forward to the Government for its consideration. Therefore, none of those moneys has being expended at this time. However, it is intended upon approval of that plan, subject to government consideration, that those funds will be expended accordingly.

Dr JOHN KAYE: When you say expended accordingly, they would go either to the Department of Housing or to a social housing provider?

Mr WAKELIN-KING: The nature of the agreement with Frasers Property is that the funds under the voluntary planning agreement are for affordable housing in the Redfern-Waterloo area as defined under the Redfern-Waterloo Authority Act. So it could go to any particular site that is determined appropriate for affordable housing within that area.

Dr JOHN KAYE: Can we now go to the Redfern-Waterloo built environment plan, stage two? My understanding is that was out for public comment in about 2008. It then kind of disappeared—

Ms KRISTINA KENEALLY: No, with respect, I do not mean to interrupt, but I am not sure you are not confusing that with built environment plan one.

Dr JOHN KAYE: Built environment plan one is gazetted and out there and happening, as I understand it?

Ms KRISTINA KENEALLY: Yes.

Mr WAKELIN-KING: That is correct.

Dr JOHN KAYE: Can you give us an update on where built environment plan two is up to?

Mr WAKELIN-KING: Certainly. I inform the Committee that, as outlined in built environment plan stage one, which was intended as an important part of the renewal of the Redfern-Waterloo area, that plans be developed to enable the redevelopment and rejuvenation, if you like, of the social housing estates within the Redfern-Waterloo area. We are currently in close consultation and detailed development with Housing NSW in relation to the options. I need to inform the Committee just for the purposes of clarification that built environment plan two is about the establishment of the appropriate planning controls that would apply to those social housing sites. It is not the explicit plan on how other sites will be redeveloped.

Dr JOHN KAYE: That is the Department of Housing?

Mr WAKELIN-KING: Quite appropriately, the Department of Housing will then undertake that through its master plan process. We are finalising those considerations with Housing NSW for consideration by the Government, once again through our board and once those options have been considered they will be publicly exhibited. The timing of that will be a matter for the Government but we will be shortly submitting that to the Government.

Dr JOHN KAYE: If you are going to finalise the arrangements for Housing before you put the plan out for public consultation—

Mr WAKELIN-KING: No, sorry, if I gave that impression I apologise. It is not what I intended.

Dr JOHN KAYE: I misunderstood you. Can you explain what you meant?

Mr WAKELIN-KING: It is intended that we will provide the options and concepts for public exhibition as the first approval stage. Then they will be appropriately placed on public exhibition. Given the significance of this strategy, it will have an extensive consultation period.

CHAIR: Moving on to the Redfern-Waterloo Authority, I have had contact for many years now with Mick Mundine in the Aboriginal community at Redfern. In the budget papers there is a statement supporting and respecting the Aboriginal community. What is happening, what is the timetable and what funds are available for the development of that Aboriginal community area?

Ms KRISTINA KENEALLY: Are you talking about the Block, Reverend Nile?

CHAIR: Yes, the Block. The Aboriginal Housing Company.

Ms KRISTINA KENEALLY: Yes. There has been much positive activity in the Block in the past 12 months. Major areas to be noted include the Pemulwuy project concept plan which was provided approval on 2 July 2009 by the then planning Minister, Kristina Keneally. This concept plan provided for more than 15,000 square metres of floor area for a range of commercial, retail, cultural and community uses. That includes 62

residential apartments and at least 500 square metres of open space. In the last 12 months the Aboriginal Housing Company has made significant progress on that concept plan and has had a meeting with me recently to update me on that. Most notably, it has formed a partnership with Dayco, a construction company that is currently redeveloping the Redfern RSL site, which is just adjacent down the road.

The Aboriginal Housing Company advises that Dayco will assist in the project management, design and construction of the Pemulwuy project. The Aboriginal Housing Company expects it will be in a position to lodge a development application and any necessary modifications to the concept plan approval within the coming months. The Aboriginal Housing Company advises me it has secured funding for the preparation of any future applications and associated fees and has indicated it will apply for affordable housing funds generated from the State and Federal governments' programs, including the affordable housing planning agreement between the Redfern-Waterloo Authority and Frasers Property, which Mr Wakelin-King just spoke to.

The project itself, we estimate, will create around 200 construction jobs and 100 ongoing positions once complete, and the Redfern-Waterloo Authority has commenced discussions with the Aboriginal Housing Company around participating in our Aboriginal employment model.

CHAIR: What timetable do you envisage?

Ms KRISTINA KENEALLY: As I say, the Aboriginal Housing Company has indicated it will be in place to put forward a development application and any necessary modifications within the coming months. At the moment, if I can put it in these terms, the ball sits in its court to bring forward its development application with its partner, Dayco.

CHAIR: You also said it needs to have Federal and State funding. That would be the key to the whole project?

Ms KRISTINA KENEALLY: It has indicated its intention to apply for affordable housing funds. A number of affordable housing programs are currently available at the Federal level and, of course, we have the funds Mr Wakelin-King outlined in relation to the contributions from Frasers Property.

CHAIR: What was the estimated cost of that project?

Ms KRISTINA KENEALLY: It was a \$60 million project.

CHAIR: Are you confident it can get that much funding?

Ms KRISTINA KENEALLY: What Mr Mundine advises me is that he is confident of that and he has been insistent that the Aboriginal Housing Company drive this process. He sees this, correctly so, as not a government program but as a program of the Aboriginal Housing Company.

CHAIR: Obviously it will need all that cooperation to bring it to fruition after many, many years of frustration?

Ms KRISTINA KENEALLY: It was one of the moments of which I am most proud, to have been able to approve that concept plan and to join the community there on The Block to celebrate that approval.

CHAIR: I note in the budget papers that there seems to be a lot of emphasis on selling land. You had in the Australian Technology Park, Channel 7, Global Television and Pacific Magazines relocated to that park.

Ms KRISTINA KENEALLY: Yes.

CHAIR: When they relocated, did they actually buy land off the authority, are they leasing it or renting it?

Mr WAKELIN-KING: The arrangement is that it is a 99-year lease. The formal arrangement is that the lease is from the Redfern-Waterloo Authority to the company that runs the park, Australian Technology Park Precinct Management Ltd, which then has a sub-lease that is up to 99 years with Channel 7. To be precise, it is the development company known as Australian Technology Park Partnerships of which Channel 7 has an interest.

CHAIR: I support the leasing idea but I note Budget Paper No. 3, Volume No. 2, states, "The Authority's priorities are assisting the NSW Government in developing options for the sale of the Australian Technology Park". What are the advantages of selling it rather than leasing it?

Ms KRISTINA KENEALLY: I will speak to that. In the 12 November 2008 mini-budget the Government announced its intention to sell the Australian Technology Park as part of an overall asset divestment strategy and that sale would be, in fact, a 99-year lease arrangement. I should just, at that point, point out that the Australian Technology Park is a unique and complex site. It has a number of different asset types. It would appeal to different purchasers in different ways.

It has a heritage listing. It contains the three remaining development sites. It does present some contamination issues, as is to be expected, given its industrial heritage, and it has a building with a mix of short and long-term tenants. We did carry out a due diligence process for a possible sale in 2009. That process is ongoing in a number of areas and that will ensure that when a decision to proceed to sale is taken, the park would be ready to go to market. There has been no decision in relation to the timing of the sale and the matter would be considered by government when we have gone through that due diligence process.

CHAIR: I have a related question for the North Eveleigh site. Again the budget papers refer to the sale. Will that again be a 99-year lease on that site?

Mr WAKELIN-KING: I can advise that the intent is that sale is a freehold sale. It is important to note that the site has an essential component or an essential precinct on which currently the CarriageWorks Building resides, which houses the Contemporary Arts Theatre known as CarriageWorks. Also, part of that central precinct area is a site known as the former Blacksmiths Workshop, which currently houses the Eveleigh markets, which is run by the authority and the Australian Technology Park. Those sites will remain in ownership of the State, it is intended that that central precinct, with what is known as the eastern and the western precinct being determined for sale by way of freehold.

CHAIR: That brings us to the end of our hearing. We thank you, Premier, for your patience and attendance. We thank your staff also.

Ms KRISTINA KENEALLY: It is always a pleasure.

CHAIR: We wish you all the best for the future.

Ms KRISTINA KENEALLY: Thank you, Reverend Nile.

CHAIR: There will be a brief Committee meeting. Under the rules, questions on notice can be sent to you from the Committee members. You will have 21 days from the date on which you receive the questions in which to reply.

Ms KRISTINA KENEALLY: Thank you, Reverend Nile, and thank you to the Committee for the opportunity.

(The witnesses withdrew)

The Committee proceeded to deliberate.
