

GENERAL PURPOSE STANDING COMMITTEE No. 1

Monday 1 September 2003

Examination of proposed expenditure for the portfolio areas

PREMIER, ARTS, AND CITIZENSHIP

The Committee met at 5.30 p.m.

MEMBERS

Reverend the Hon. Fred Nile (Chair)

The Hon. Tony Burke
The Hon. Jan Burnswoods

The Hon. Don Harwin
The Hon. Peter Primrose
Ms Lee Rhiannon

PRESENT

The Hon. R. J. Carr, *Premier, Minister for the Arts, and Minister for Citizenship*

Premier's Department
Dr C. Gellatly, *Director-General*

The Cabinet Office
Mr R. Wilkins, *Director-General*

Ministry for the Arts
Mr R. Wilkins, *Director-General*

Community Relations Commission
Mr S. Kerkyasharian, *Chairperson*

Sustainable Energy Development Authority
Mr R. Wilkins, *Chief Executive*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded by 30 September 2003 to:

**Budget Estimates
General Purpose Standing Committee Secretariat
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I am pleased to welcome you to this public hearing of General Purpose Standing Committee No. 1. First of all, I thank the Premier for his attendance and co-operation, as well as his departmental officers. At this meeting the Committee will examine the proposed expenditure for the portfolio areas of the Premier, Arts, and Citizenship.

There are a couple of practical matters to be dealt with as part of the record of this hearing. We will allocate questions, first to the Opposition, then to the crossbench members, and then to any government member who wishes to ask questions. In regard to broadcasting the proceedings, part 4 of the resolution referring budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video for the purposes of covering the proceedings. Copies of the guidelines on broadcasting are available from the attendants.

I point out that in accordance with the Legislative Council guidelines for broadcasting proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee.

There is no provision for members to refer directly to their own staff while at the table. Witnesses, members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks. For the benefit of members and Hansard, will departmental officers identify themselves by name, position and department or agency before answering any question referred to them. When a member is seeking information regarding a particular aspect of a program or subprogram, it will help the Minister and the Committee if the program or subprogram is identified.

I declare the proposed expenditure open for examination. Premier, do you wish to make a brief opening statement?

Mr CARR: No, Mr Chair.

The Hon. DUNCAN GAY: Premier, how much did the Government spend on media monitoring from Reham Australian Monitoring Services in 2002-03, as outlined in the Premier's Department circular 2002/22? What is the estimated expenditure for 2003-04?

Mr CARR: In April 2002 the State Contracts Control Board awarded a sectorwide broadcast—radio and television—monitoring contract to Reham Australia Monitoring Services. Reham is an industry leader in media monitoring services with extensive experience in providing monitoring services to the New South Wales Government. The contract commenced on 1 July 2002. Prior to the sectorwide contract, government agencies engaged media monitoring organisations under a variety of contract arrangements, terms and prices. The new contract standardises these arrangements for government.

Under the contract, agencies can access services and there are standardised fees, ranging from those that are high use, through medium use to low use, and there are different charges for first items and subsequent items. I am just looking for the total amount to government. An extensive review of the contract was conducted by an independent consultant in June 2003. The review concluded that there are considerable net advantages and potential further advantages accruing to government from the introduction and operation of the government—

The Hon. DUNCAN GAY: Premier, I am only after the amount, not a story.

Mr CARR: I am informed there is no amount in the budget of my department, because each agency pays its own. We could endeavour to find what the Premier's Department paid in the past year.

The Hon. DUNCAN GAY: Would not your head of ministerial and parliamentary services have that information? According to circular 2002/22, that information had to go back through that area of your department.

Mr CARR: We will have—and will probably do it this evening—to total up the bills from the different units of the Premier's Department.

The Hon. DUNCAN GAY: And the other agencies, which was my question?

Mr CARR: Agencies in my portfolio?

The Hon. DUNCAN GAY: No, outside agencies that your portfolio oversees.

CHAIR: You will take that on notice?

Mr CARR: Yes.

The Hon. DUNCAN GAY: How much did your department spend on Rehame?

Mr CARR: That is one thing we will have to tally up for the different agencies in my department. We will probably do that for you this evening.

The Hon. DUNCAN GAY: So you will do both, the Premier's Department plus the other agencies that ministerial and parliamentary services oversee?

Mr CARR: You will certainly get our agencies this evening. We will take the rest on notice.

The Hon. DUNCAN GAY: What was the cost of your department's media monitoring unit in 2002-03, and what is the budgeted cost for 2003-04?

Mr CARR: The net cost of services for 2002-03 was \$782,387. That is the short answer to the question.

The Hon. DUNCAN GAY: And the budget for 2003-04?

Mr CARR: I am advised it will be around the same amount.

The Hon. DUNCAN GAY: Does the media monitoring unit provide transcripts? What is the cost of providing transcripts? And, how many transcripts were provided by the media monitoring unit in 2002-03?

Mr CARR: They do not provide transcripts.

The Hon. DUNCAN GAY: Who provides transcripts for you?

Mr CARR: I am not sure what the question is. We do not get transcripts from anyone. We are not supplied with transcripts from any organisation.

The Hon. DON HARWIN: Premier, for each of your portfolio agencies in 2002-03, how much was spent on media monitoring other than from Rehame Australia Monitoring Services?

Mr CARR: I am not aware there was anything, but I will check with those agencies and add that to the question I have undertaken to answer on notice.

The Hon. DON HARWIN: Your ministerial office's, as opposed to your agencies, spending on media monitoring by Rehame Australia Monitoring Services for 2002-03 is outlined in Premier's Department circular 2002/22. What is the estimated expenditure for your office for 2003-04?

Mr CARR: As I said in answer to the Hon. Duncan Gay, I will have to provide you with that after we have consulted the data.

The Hon. DON HARWIN: Could you also provide as part of that answer your ministerial office's spending on media monitoring other than by Rehame Australia Monitoring Services for 2002-03?

Mr CARR: I am advised that the only flow of information is from Reame, which has the government contract, or from the Government's own media monitoring services, not from any other agency.

The Hon. DUNCAN GAY: But your agencies will check and report back?

Mr CARR: Yes.

The Hon. DUNCAN GAY: Prior to 22 March did you ever discuss any issue relating to the Menangle bridge with Minister Scully?

Mr CARR: I would have to check the records.

The Hon. DUNCAN GAY: You cannot recall off the top of your head the issue being brought up with you?

Mr CARR: No.

The Hon. DUNCAN GAY: Were any reliability issues with the millennium trains discussed with Minister Scully?

Mr CARR: To the best of my recollection, no. Except for those that were on the public record, about the delay in the commissioning of the millennium trains, and I have answered questions about that at press conferences. At the commissioning of the trains I answered questions about the delay caused by the failure of one of the contractors' subcontractors. But I do not recall anything that was not referred to in the media up to that time.

The Hon. DUNCAN GAY: Did you discuss any other issue about rail safety with Minister Scully?

Mr CARR: I could well have.

The Hon. DUNCAN GAY: But you cannot recall?

Mr CARR: You are asking if I had any discussion with the then Minister for Transport about rail safety?

The Hon. DUNCAN GAY: Prior to the election.

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Mr CARR: That is a pretty tall order, given that the Glenbrook inquiry was proceeding at that time. Rail safety was regularly in the news. Before the election there would have been numerous discussions about rail safety issues.

The Hon. DUNCAN GAY: The Godfrey report identifies that 71.8 kilometres of ballast need to be cleaned every year but only 22 kilometres of ballast were budgeted to be cleaned in 2002-03. Did you ever discuss this issue with Carl Scully?

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

The Hon. DON HARWIN: Mr Premier, did you approve a payment of \$110 million to EDI for the Millennium train?

Mr CARR: No.

The Hon. DON HARWIN: Were you aware of the payment before it was made? For example, you sit on the Cabinet budget subcommittee; was it discussed there? If not, why would you not have been aware of it?

Mr CARR: I would need to check the records of the budget committee in Cabinet. I would need to take that question on notice.

The Hon. DON HARWIN: Did you also approve the decision not to seek damages from EDI for the late delivery of the trains?

Mr CARR: Again, I would have to check the records of the budget committee of Cabinet.

The Hon. DUNCAN GAY: Mr Premier, do not all these matters go to the budget committee?

Mr CARR: I would need to check the records of the committee.

The Hon. DUNCAN GAY: Surely the \$110 million Millennium train project would go to the budget committee.

Mr CARR: I would need to check the records of the committee.

The Hon. DUNCAN GAY: Are you telling me that there is a chance it would not?

Mr CARR: I would need to check the records of the committee.

The Hon. DUNCAN GAY: You are avoiding answering the question.

Mr CARR: I am not avoiding answering the question.

The Hon. DUNCAN GAY: You can tell me either that the Millennium train goes to the committee or it does not.

Mr CARR: I am going to take these questions on notice.

The Hon. DUNCAN GAY: Mr Premier, are you trying to convince the people of New South Wales that this issue of a \$110 million payment did not go to the budget committee, which you sit on?

The Hon. PETER PRIMROSE: Point of order: We ask questions and the witnesses are allowed to answer them in any way they see fit. It is not appropriate for the honourable member to badger witnesses. He has had an answer to his question. He has asked it in many different ways and he has had the same answer. Let us move on.

The Hon. DUNCAN GAY: It is a non-answer. How many senior executives or chief executive officers [CEOs] are on the unattached list at present?

Mr CARR: I am advised, Mr Chairman, that there are two who are unattached. One is Ms Sue Holliday, the Director-General of the former Department of Planning. She has been undertaking work at the direction of the Director-General of the Premier's Department since that time. What work is it? She has the role of directing the review of grants being undertaken by the department. She will depart the public sector this month.

The other is Dr Carmel Niland, the former Director-General of the Department of Community Services, who is an unattached officer of the Premier's Department. Ms Niland currently heads a unit re-evaluating a number of programs within the Premier's Department. Dick Persson was removed from the position of Director-General of the former Department of Public Works and Services on 2 April 2003. He undertook duties at the direction of the Director-General of the Premier's Department until his appointment as administrator of Warringah Council on 24 July.

The Hon. DUNCAN GAY: What is the total value of their salaries per annum?

Mr CARR: We would need to get advice on that, but they are all being employed on duties.

The Hon. DUNCAN GAY: When you get that information, would you also advise on the salaries that have been paid to the people you have detailed?

Mr CARR: Who are they?

The Hon. DUNCAN GAY: Ms Niland, Ms Holliday and Mr Perrson.

Mr CARR: Yes. I am told that they are on the public record in the annual report of their departments.

The Hon. DUNCAN GAY: Is a Mr Deegan on that list?

Mr CARR: I am advised that he is no longer in the public sector.

The Hon. DON HARWIN: What has been the result of Ron Christie's razor gang to achieve savings of 6 per cent across government in the period from January 2000 to June 2004?

Mr CARR: The committee finished its work. Its work is reflected in this year's budget. Its implementation will be oversighted by the new Cabinet committee on government operations.

The Hon. DON HARWIN: The findings of the report have been presented to Cabinet?

Mr CARR: Yes.

The Hon. DON HARWIN: Have savings of 6 per cent been identified across all departments?

Mr CARR: Not across all departments. It is reflected in this year's budget papers. The work and recommendations of the committee are reflected in the current State budget.

The Hon. DON HARWIN: With reference to your answer to last year's estimates committee that the required ongoing savings for 2004-05 is \$827.9 million, does that figure remain accurate?

Mr CARR: It has been implemented and is being implemented, and it is reflected in the current budget papers.

The Hon. DON HARWIN: Is that the dollar figure that is expected to be achieved in 2004-05?

Mr CARR: It is an ongoing process and is reflected in the current budget and forthcoming budgets.

The Hon. DUNCAN GAY: Is that the figure?

Mr CARR: The figure for?

The Hon. DUNCAN GAY: Did you achieve it? Will you achieve it?

The Hon. DON HARWIN: The answer you gave last year to the estimates committee was "the required ongoing savings from 2004-05 is \$827.9 million". Is that is still a current figure?

Mr CARR: Those savings have been to fed into the current pay increases delivered in the public sector. That is what the 6 per cent represented.

The Hon. DON HARWIN: What level of savings were achieved in 2002-03 and how much is budgeted to be saved in 2003-04?

Mr CARR: Six per cent of the pay increases awarded in that current round were funded by those savings.

The Hon. DUNCAN GAY: In 2002-03 how many media or public relations advisers were employed for each of your portfolio agencies?

Mr CARR: Roughly the same as under the Government we replaced in 1995. We have been careful not to increase the numbers. In fact, I think they are slightly lower. We will take that on notice and give you an account.

The Hon. DUNCAN GAY: What is the total cost?

Mr CARR: We will take that on notice and give you an account.

The Hon. DUNCAN GAY: What is the forecast for 2003-04 for the number of media or public relations advisers to be employed and their total cost?

Mr CARR: It would be roughly the same as it was in the past financial year, but we will give you an estimate of that.

The Hon. DUNCAN GAY: In 2002 how many media or public relations advisers were employed in your ministerial office?

Mr CARR: There are three senior staff in my office with media liaison and advisory responsibilities. I understand, by the way, that the Leader of the Opposition has two press secretaries on his staff. Again, other staff may assist with media matters, if required.

The Hon. DUNCAN GAY: What is the total cost?

Mr CARR: I will get those figures. I will have to take that question on notice.

The Hon. DUNCAN GAY: What is the forecast for 2003-04 for the number of media or public relations advisers to be employed and their total cost?

Mr CARR: Again, I would have to take that on notice.

Ms LEE RHIANNON: The Australian Museum is a well-loved institution. I am sure that you would share the concern that many people have about the number of items that have been stolen and gone missing. Would you indicate how much has been allocated to restore these objects to the museum and to overall rectify this problem?

Mr CARR: I will seek a fuller report on that. I am advised that the challenge is not one of money; it is a matter of getting the items back, retrieving the items.

Ms LEE RHIANNON: I am aware, Mr Premier, that there has been considerable press coverage of this issue and one of the suggestions as to why this problem has occurred is because of the low, reduced budget for the Australian Museum. There has been speculation that it is a budgetary problem. Would you care to comment on that?

Mr CARR: I fail to see the link between that matter and any budgetary difficulty. A concern with the budget has arisen in the last month or so. These objects, I think, were stolen some time ago.

Ms LEE RHIANNON: Thousands of items have been stolen over a number of years.

Mr CARR: Over a number of years, yes, but that was in the context, I am pretty certain, of the budget of the museum increasing, not being reduced.

Ms LEE RHIANNON: It has stayed about the same.

Mr CARR: I would reject any suggestion that there is a link. If the budget has been about the same, you cannot therefore make a link between any decision on the budget and the theft of these items. Mr Brian Sherman, the President of the Australian Museum, was advised on 23 September last year that items had been stolen from the Australian Museum's collections. Similar allegations were

investigated by the police in 1997. I am advised that the outcome was inconclusive. The museum immediately acted on police advice and upgraded security in the areas identified at risk.

On 24 September the director of the museum was asked to contact the Independent Commission Against Corruption [ICAC]. Since October 2002 the ICAC has undertaken an extensive investigation resulting in the recovery of a significant number of exhibits. The ICAC is identifying the items that have been recovered. Contrary to media reports, the ministry is advised that the items were not placed on the black market for sale. They were taken by an employee who has admitted to stealing the objects and has been dismissed.

At the conclusion of the investigation the ICAC will issue a report and make the necessary recommendations regarding further action. The Trust president reported this issue to the ministry as soon as it was brought to his attention. On the ministry's advice he immediately referred the matter on to the ICAC. The ICAC has been investigating the unauthorised removal of items from the collections and is yet to make its report. The museum has advised that it has worked to collate all information relevant to the losses and continues to enhance security. Following a process culminating in March 2003, the museum recovered more than 2,000 specimens. So the ICAC will report.

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We will look at the ICAC's recommendations. If it were to say that money had to be invested in improving security, we would respond appropriately.

Ms LEE RHIANNON: Have any of your overseas trips in the past year been paid for in part or in full by using public money? If so, did any of your relatives or friends accompany you on these trips?

Mr CARR: Helena did.

Ms LEE RHIANNON: Have any of your overseas trips been paid for in part or full using public money?

Mr CARR: Yes. My overseas travel in 2002-03 involved only one official visit—to New Zealand in June 2003. I received an invitation from the University of Otago to speak at a weekend seminar. Other speakers included the head of the New Zealand Department of Foreign Affairs and Trade, the Office of the Prosecutor of the International Criminal Tribunal for the former Yugoslavia and a number of other speakers of interest. I was happy to participate.

Ms LEE RHIANNON: Is that when you decided to buy your property in New Zealand?

Mr CARR: No, I bought it months before that. The visit had nothing to do with that.

Ms LEE RHIANNON: You may not agree, but a few of us have a problem with the transparency of the budget papers. I am interested in your total number of staff. The figures are mentioned on pages 2-46 to 2-57, but I am not sure about the total number. Is there overlap or is that the total?

Mr CARR: Are you talking about my office, not the department?

Ms LEE RHIANNON: Yes.

Mr CARR: The total is 29.

Ms LEE RHIANNON: In June last year, you put out a memorandum warning senior public servants about consultancies. You made a strong statement that consultants should be used only if their use would result in savings.

Mr CARR: Yes.

Ms LEE RHIANNON: You have also made a number of strong statements on this issue over the years. I think you made one promise about the need for a cap of \$50 million each year for consultancies. Can you provide a comparison of spending in this area in 2002-03 and 2003-04?

Mr CARR: In 1997, State-owned corporations and statutory bodies operating in competition were granted limited exemption from the annual reporting requirements in relation to consultancy disclosure. Nonetheless, by using annual reports we are able to provide an estimate of government spending on consultancies. In 2001-02, the amount was approximately \$100 million, which is a reduction from the previous financial year of approximately \$36 million.

Ms LEE RHIANNON: Are you saying that in 2000-01 the expenditure was \$136 million and in 2001-02 it was \$100 million?

Mr CARR: Yes. The Premier's Department Circular 2000-47, entitled Guidelines for the Engagement and Use of Consultants, sets out the Government's key expectations in relation to agencies engaging consultants and defines a consultant. The definition does not apply to casual or temporary staff employed or engaged by a New South Wales Government organisation. The Government remains committed to reducing the use of consultants. The Audit Office of New South Wales is undertaking a compliance review to determine whether agencies have correctly classified expenditure on consultants in their accounting records, properly disclosed the details in their annual reports and satisfied the key requirements in the Premier's Department guidelines.

Ms LEE RHIANNON: That means the figure could go up if they have classified them incorrectly. They might have classified them as something other than consultancies.

Mr CARR: We want them to categorise them accurately.

Ms LEE RHIANNON: So the figures could go up.

Mr CARR: They could go down.

Ms LEE RHIANNON: Do you have figures for 2002-03?

Mr CARR: No.

Ms LEE RHIANNON: When do you expect to have them?

Mr CARR: They are in the department's annual report. That is the way they are normally presented.

Ms LEE RHIANNON: When will we get them?

Mr CARR: It varies from department to department. However, the annual reports legislation will provide an indication.

Ms LEE RHIANNON: You have clearly stated that no more money should be spent on consultancies in the Hunter. Consultancies have been used by Hunter Water, the Hunter Waste Planning and Management Board, and even your own department. Are you still using consultancies for your work in the Hunter?

Mr CARR: To what work are you referring?

Ms LEE RHIANNON: I can provide further details, but \$2 million was spent by Hunter Water on consultancies in 1997-98. That is in your own reports.

Mr CARR: With good justification. Hunter Water is one of the most exemplary public sector agencies in Australia. I would be inclined to trust its judgment if it were using consultants. I am happy to give an account, but I think Hunter Water's efficiency and effectiveness is widely regarded as a model for other public sector agencies around the country. I am happy to provide the Committee with an explanation of how the consultants were used.

Ms LEE RHIANNON: So you have revised your statement of 1995 that a Carr Labor Government will not commission more reports from consultants. I am referring to a report on the

Hunter region. It was stated that such reports could not take the place of targeted and well thought out local initiatives. Have you revised your thoughts?

Mr CARR: I have never said we would not use consultants; we said that we would reduce their overall use and use them more effectively.

Ms LEE RHIANNON: The report states that you will not commission further reports from consultants.

Mr CARR: I never said we would not use consultants; I said we would reduce their use and use them more effectively.

Ms LEE RHIANNON: I think you would agree that election campaigning starts long before the writs are issued. How do you determine which of your activities are paid for out of the public purse and which are paid for by your party?

Mr CARR: I am on record arguing against this false distinction in our democracy between party duties and my duties as Premier.

Ms LEE RHIANNON: I agree.

Mr CARR: Political parties are a legitimate part of our democracy. I warned in our House when I spoke on ethics in my first term as Premier that I do not accept arguments from the crossbenches that there is an illegitimacy about my role as a leader, which to my way of thinking dovetails neatly with my role as Premier.

Ms LEE RHIANNON: I am not suggesting that; I am interested to get your opinion. When the writs were issued on 28 February, putting us into election mode, did your claims for expenses change?

Mr CARR: What sort of expenses?

Ms LEE RHIANNON: Flying to help out a candidate in Kiama, or not doing anything ostensibly related to the election. Given that you might be opening something, it would clearly be on the news that night and benefit you.

Mr CARR: What am I supposed to do, shelter in my office?

Ms LEE RHIANNON: I am not suggesting that; I am trying to work out how you do it. It is a difficult issue.

Mr CARR: My job is to get out and about around New South Wales. The arrangement continues that I enjoyed as Leader of the Opposition: we fund chartered plane travel for the Leader of the Opposition once the election campaign commences.

The Hon. DUNCAN GAY: But for no-one else.

Mr CARR: In other words, arrangements continue as they applied to me when I was in opposition. I was able to cope. Stop whingeing.

The Hon. DUNCAN GAY: Things will change.

Mr CARR: I will clarify this further. It is very hard to separate public functions from party activities. When I went to Kiama—it might have been Grafton—during the campaign to make an announcement about the Government's intentions, no doubt I had a candidate hovering by my side. However, the visit was inextricably bound up with my duties as Premier. That is how our system works, and I do not think that is a bad thing, nor do I think there is any abuse. The electorate seems to be able to sift its way through and determine—

Ms LEE RHIANNON: But we cannot sift our way through the money spent. That is the difference. The situation does change when the writs are issued. How does it work for you? It is complicated.

Mr CARR: When I am performing duties that are referable to a public function, I am functioning as I would in a non-campaign period when travelling around the State making announcements and meeting communities. It is hard to see any of that being an abuse.

Ms LEE RHIANNON: I am not suggesting it was an abuse; I am trying to work how you do it.

Mr CARR: I do it as the Prime Minister and as previous Governments have done it. So it goes.

CHAIR: Page 2-3 of Budget Paper No. 3., Volume 1, under the heading "Expenditure trends and recent developments", refers to the Biotechnology Unit established in 2001 to coordinate the Government's biotechnology initiatives and related ethical and regulatory issues. Is that unit involved in embryo stem cell research?

Mr CARR: Yes. It provides advice on policy, for example, for the Council of Australian Governments discussions on this subject. It supported the passage of biotechnology-related legislation through Parliament, including the Gene Technology (New South Wales) Bill, the Gene Technology (GM Crop Moratorium) Bill and the Human Cloning and Other Prohibited Practices Bill, as well as research involving human embryos. It is the source of advice on that policy area.

CHAIR: As Premier, do you give the unit any direction to concentrate on embryonic stem cell research as distinct from adult stem cell research, or do you encourage it to pursue research in both areas?

Mr CARR: It does a range of things. As I have said publicly, I am very supportive of embryonic stem cell research. I have certainly not directed the unit to skew arguments towards one form of research or another. What shapes my thinking on this is the advice from the House of Lords select committee, which is to the effect that we are more likely to have a research breakthrough on one front if research is being undertaken on both; that is, adult and embryonic stem cells. I spoke in my office last week to Lord Robert May, an Australian-born man who was for five years Tony Blair's scientific adviser. He confirmed that the chances of a breakthrough were greater in embryonic stem cell research than in adult stem cell research.

CHAIR: But you would not stop adult stem cell research.

Mr CARR: No.

CHAIR: Would you still encourage that?

Mr CARR: My view is very much that this is a two-horse race, and both horses will perform more strongly as a result.

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I want vigorous research on both fronts.

I think the legislative regime we have is very supportive. Certainly I have heard no complaints from the biotechnology industry that their research is restricted by our legislative architecture. On the other hand, in the United States of America I have heard one representative of a major biotechnology company complain that the United States legislation would force him and his activities out of the United States. But I think we have got the balance right, and there is certainly no indication on any one of those categories of research.

CHAIR: Today's media reported criticism of the Ombudsman's Office by a document issued by the Director-General of the Department of Community Services regarding an employment program. I am not interested in the detail of that, but I simply raise the issue that as shown in Budget

Paper No. 3, Volume 1, pages 2-8 and 2-9, the Ombudsman's Office has developed into a very large empire, being responsible for law enforcement, child protection, witness protection and forensic procedures. Is there any question as to whether that office is being overloaded with responsibilities at this time?

Mr CARR: My approach has been to try to rationalise the raft of watchdog agencies we have across the government sector. The Government recently made a decision when it came to the Inspector-General of Prisons, for example. We have made some decisions when it comes to oversight of child protection. I think the danger we were facing a year ago was that we had too many competing oversight, monitoring or review agencies in government and it was worthwhile trying to rationalise them. So the Ombudsman's functions have been expanded to some extent. Roger reminds me of the expression "Balkanisation of accountability". Sometimes I have had the impression that we have half of the public sector set up to monitor the other half. You can go too far in having entangling watchdogs. As you know, as a result of this concern on 1 December 2002 we merged the Community Services Commission and the Ombudsman. I think it is a fair point to say that watchdogs themselves have to be prepared to accept criticism. I was not aware of the source of the DOCS criticism, if it is that. But watchdog agencies have to accept that they too need to be accountable, and I am sure they are big enough to accept the occasional criticism or complaint from the bodies that they in turn oversee.

CHAIR: Budget Paper No. 3, Volume 1, page 2-10, deals with the State Electoral Office. In view of the current situation in New South Wales concerning one member of the upper House and what has been happening in Queensland, does the New South Wales Electoral Office have an investigation unit to investigate areas in which the electoral law is not being enforced or carried out by candidates and/or parties?

Mr CARR: They do not have an investigation unit. I could seek advice from the office as to whether it sees a need for that, in view of the recent Independent Commission Against Corruption report and the prosecution in Queensland. The office has not approached us seeking amendment to the law or support for the establishment of an investigation unit.

CHAIR: Would you support such a recommendation?

Mr CARR: I would be supportive of it, yes. The danger of people rorting the electoral system, after what we have learnt about the Outdoor Recreation Party and the abuses in Queensland, are probably real. The focus of the State Electoral Office in recent times has been on service delivery, revised procedures at the polling booth, improved public inquiry services and more information, and faster results from the office's Internet facility and the tally room. But it might be necessary to ask them—and I will ask them—for a report on whether investigation of bogus practices might be required, given what has happened here and in Queensland.

CHAIR: Do you agree that in recent years to prevent bogus parties the Parliament rightly, obviously with Government support, introduced many rules and regulations to ensure that they are genuine parties—which is a new development from previous years but it was perhaps a very simple procedure to be a candidate. Now, rightly, a party must have a certain number of members and there are many other requirements; it is not simply a matter of a form being signed stating that all the requirements relating to the authenticity of the document have been met.

Mr CARR: I think that is a fair question. I am happy to get a faster report to this Committee as early as possible.

CHAIR: Budget Paper No. 3, Volume 1, page 2-2 refers to budget expenditure for the Community Relations Commission. As you know, a great deal of amendments have been made in that area over recent years. I note a budget increase from \$13.6 billion to \$15.5 million. What are the main reasons for that increase, and has the change of name now been proved to be successful? There was some negative response when it was initially proposed. Now that you have had time to test it out, how will the increased expenditure be used and how has the commission been received with its new name?

Mr CARR: The increase in 2003-04 over 2002-03 is due mainly to employee-related expenses for four projects, which include the youth partnership for Pacific Islander communities. We

are experiencing a bit of tension with Pacific Islander communities. We introduced a special raft of programs to anticipate and try to solve some of those problems. We have now had two years experience with the youth partnership for Arabic speaking communities. That means funding street teams to go around urban hot spots, and interact with youngsters from Arabic background who are veering towards antisocial and perhaps criminal behaviour. That has been required by evidence of social tension in some areas. It has been effective, but more needs to be done. Third, there was funding for a community harmony roundtable for the Canterbury-Bankstown area. Fourth, there were some reasonably well-publicised interventions in Cabramatta under the title Cabramatta City Watch. This reflects the Community Relations Commission working with other government agencies towards the goal of a cohesive and harmonious multicultural society.

On the question of the renaming of the commission, my view is that our approach has been totally vindicated, given the tension areas I referred to. The last thing we wanted to do was to entrench an idea that there were Australians and, on the other hand, "ethnic Australians". I think the term "ethnic" had well and truly worn out its welcome, and it was time to use different approaches. Our approach, emphasising citizenship, is not offensive to people who really did not want to be typecast as ethnic Australians. People who came here as migrants, or who are the sons and daughters of migrants from non-English-speaking backgrounds, did not want to be typecast as "ethnics". We got rid of the term. There was a bit of tension to start with, but I was very pleased at how, when communities considered it, they became supportive. It is a long time since I have encountered any evidence of disaffection with the way we have tackled our responsibilities here.

The Hon. DUNCAN GAY: I refer to media and public relations. How much do you pay Walt Secord?

Mr CARR: I do not know; I would need to get advice on that. But whatever the figure is, he is worth every dollar of it. He is a very fine human being and a very good officer.

The Hon. DUNCAN GAY: Did he receive a bonus after Cecil Hills?

Mr CARR: He is an outstanding public servant, and he is one of the reasons I am sitting here being interviewed as Premier.

The Hon. DUNCAN GAY: Would you also obtain advice about the amount paid to Amanda Lampe and Graeme Wedderburn?

Mr CARR: Yes.

The Hon. DUNCAN GAY: Do you chair the budget subcommittee of Cabinet?

Mr CARR: Yes.

The Hon. DUNCAN GAY: Did the decision of extra tax for clubs go before that committee?

Mr CARR: It was in the budget, yes. It was a Government decision.

The Hon. DUNCAN GAY: What level of money is involved before a matter goes to the budget subcommittee of Cabinet?

Mr CARR: It varies. It has everything to do with process and nothing to do with the level of money.

The Hon. DUNCAN GAY: Would something worth \$40 million go to the budget subcommittee?

Mr CARR: Again, it has everything to do with process. If it were an operational allocation by a government agency within its budget, already appropriated by the Parliament, it probably would not come to the budget committee.

The Hon. DUNCAN GAY: Would a one-off purchase worth \$40 million—

Mr CARR: A major acquisition at the end of a tender process is very likely to come to the budget committee. But I will not answer questions about the specific items until I have had an opportunity to refresh my memory by looking at the minutes. That is a reasonable precautionary approach.

The Hon. DUNCAN GAY: If a \$40 million asset acquisition stands a reasonable chance of going before the budget subcommittee, one of \$110 million would have a certain chance of going before that committee?

Mr CARR: I can only repeat what I said to you earlier: It is not a matter of the amount; it is a matter of the process. If a government agency is allocating money within its budget, it may not come to the budget committee.

The Hon. DUNCAN GAY: Are you telling us that a one-off asset purchase of \$110 million may not go to the budget subcommittee?

Mr CARR: I will answer questions about specific matters on notice, when I have had an opportunity to refer—

The Hon. DUNCAN GAY: It is a straightforward question, Premier.

Mr CARR: That is why I am taking it so seriously. Because it is such a straightforward question is the reason I am taking it on notice and I will answer it with reference to the budget papers.

The Hon. DUNCAN GAY: There is no trick here, Premier. You are saying there is a chance that a one-off asset purchase of \$110 million may not go to the budget subcommittee?

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Mr CARR: I am saying that I will answer the question when I have got reference to the papers.

The Hon. DON HARWIN: You answered some questions from Ms Lee Rhiannon about the conventions of what can and cannot be paid for after the issue of the writs. I think she asked you a specific question about air travel. I refer to media monitoring after the issue of the writs. Do all the contractual arrangements with Reham and other organisations that you have taken on notice continue to apply after the issue of the writs? I had a fellow from Reham turn up to a press conference in Nowra one day after the issue of the writs. The Leader of the Opposition, the shadow Minister for Health and I were at Shoalhaven hospital. Was Reham supplying that information back to you at a cost to the taxpayer?

Mr CARR: What you are asking me is whether the Government would suspend a normal contractual arrangement after the issue of the writs. The answer is: No, of course we do not.

Ms LEE RHIANNON: But what about answering it the other way round: Would you have had Reham down there if Don did the—

Mr CARR: As I understand it, Reham makes its own decisions. I think that is a fatally flawed news judgment by Reham. I doubt if there was anything newsworthy out of Mr Harwin's press conference.

The Hon. DON HARWIN: As a matter of fact, the Minister had quite a bit to say just after the press conference. But let us come back to the question and continue the answer.

Mr CARR: The answer is that we would not suspend those arrangements, nor would anyone expect us to, after the issue of the writs.

The Hon. DUNCAN GAY: Is that not a bit unfair?

Mr CARR: It is a service provided to government. By the way, I did not lament that it was unfair when I was Leader of the Opposition. When I was a hard toiling, but nonetheless very effective

Leader of the Opposition, I was never reduced to this plaintiff lament that, "The Government had media monitoring. The reason I didn't do well in the election was the Government had media monitoring and I didn't". The constitutional position is this: Despite the issue of the writs, I am still the Premier and I have to deal with matters of government and I still make decisions about government in New South Wales—that is, I am still Premier. It is as logical to suggest that I somehow should be removed from receiving advice from my public sector colleagues or from my department—to suggest that suddenly, with the issue of the writs, I should not get this service.

The Hon. DON HARWIN: Thank you, Premier.

Mr CARR: By the way, let me refer to what taxpayers money the Leader of the Opposition gets after the issue of the writs. The 2003-04 budget papers provide the "Leader of the Opposition other operating budget". These funds can be used to meet general office expenditure other than staffing costs—therefore, it is there for media monitoring, as it is there for stationery stores, travel and general office needs. You could just as logically say that I am not entitled to use Premier's letterhead or a public service biro after the writs have been issued—that is how logical that is. It would be just as logical for me to respond and say that the 2003-04 budget for the Leader of the Opposition is \$516,000—that is, of course, for the Leader of the Opposition performing parliamentary duties, media monitoring, press staff—

The Hon. DUNCAN GAY: It is about what you spend on media monitoring. But who has to fund everything?

Mr CARR: What you are doing is lamenting that I am in government, having won a considerable majority of the vote at the last election and you are not. I cannot help that. What do you expect me to do, conduct a counselling session for you lot?

The Hon. DON HARWIN: No, Premier. I was just coming to the point of—

Mr CARR: What you are really lamenting is that we entered the last State election as an incumbent Government, as you entered the 1995 election as the incumbents. Under the Westminster system that is the case. Elections are contested by an incumbent team and an Opposition team. What are you expecting us to do?

The Hon. DON HARWIN: Thank you, Premier. I refer to air travel. After the issue of the writs, as a matter of convention you provide the Leader of the Opposition with access to air travel. At the next election, is there any reason why you could not provide the same sort of services in terms of media monitoring by convention? In effect, as well as being a service to the Government, it means a large subsidy to the Government party in terms of its election campaign?

Mr CARR: If you think you lost the election because you did not have access to media monitoring you have learned nothing.

The Hon. DON HARWIN: I have at no time suggested that.

Mr CARR: Why don't you get out and develop a few policies. If you had developed a few policies and related them to the needs of the public of New South Wales you might have won the seat of Manly or a few other seats, but you go on and on and on. When you have a chance to quiz the Premier about anything, you go on and on and on about media monitoring. All the questions I have had from you have been about media monitoring.

The Hon. DUNCAN GAY: We will change the subject, as you have requested it. Premier, how many times did you charter an aircraft in the past year?

Mr CARR: I would need to check that and report back to you. However, I make no apologies for getting around New South Wales.

The Hon. DUNCAN GAY: I am not asking you to apologise. What was the cost of these charters?

CHAIR: Take that question on notice.

Mr CARR: I will take that question on notice.

The Hon. DUNCAN GAY: Of the planes chartered, how many were jets and how many were prop planes?

Mr CARR: I have got news for you: they were all jets. I travel by jet, like the Premiers of every other State. The Premiers of two States own jets—I do not own a jet, nor do I propose to do so. I travel in charter jets for convenience, time and reliability. I travelled by jet to get up to the North Coast of New South Wales on Saturday to launch the Wilderness Rescue Service in Nymboida. I travel by jet to get around the State and perform my duties. If you want me to apologise for it, I will not.

The Hon. DUNCAN GAY: How would you justify to the people of New South Wales the added expense of using jets over prop planes?

Mr CARR: The time consumption, the reliability. I can perform my duties in a day by using a charter jet. Every Premier in Australia uses a jet. If you are making a commitment now that in government your Premier would never use charter jets and would instead use prop planes, I would find that very interesting, very curious and very flippant.

The Hon. DUNCAN GAY: I refer to the recent Cabinet meeting in Jindabyne. Did any of your Ministers travel with you in your jet?

Mr CARR: I would need to check the record.

The Hon. DUNCAN GAY: How many planes were on the airstrip at Cooma airport that day?

Mr CARR: I would need to check the records.

The Hon. DUNCAN GAY: Would you find it improper if some of your Ministers were travelling in separate planes to the same function?

Mr CARR: The planes were fully occupied.

The Hon. DUNCAN GAY: Every plane was full?

Mr CARR: I am pretty certain that any of those other planes would have been full.

The Hon. DUNCAN GAY: Your plane was full?

Mr CARR: I will give you a report; I am pretty certain it was.

The Hon. DUNCAN GAY: Do you take media on your plane or are they on a separate plane?

Mr CARR: There may have been occasions when media have travelled on the plane too.

The Hon. DUNCAN GAY: Could you detail occasions where a separate plane has been provided?

Mr CARR: It could be easily done, yes.

CHAIR: Take that on notice.

The Hon. DON HARWIN: Premier, for each of your portfolio agencies, how much money was spent on advertising in 2002-03? Would you be able to provide a list of each campaign, the cost

and which firms were involved? Could you also provide a monthly breakdown of advertising expenditure?

Mr CARR: What sort of advertising?

The Hon. DON HARWIN: All advertising by your portfolio agencies.

Mr CARR: What do you mean by "campaign advertising"?

The Hon. DON HARWIN: Well, an advertising campaign involves a total buy over a period of weeks or months on a particular issue—that is an advertising campaign.

Mr CARR: I am not aware of any, apart from the obvious ones, such as the Historic Houses Trust running advertisements in the entertainment pages of newspapers about the attractions available in the properties, or the Premier's Department advertising for staff in the classified advertisements. That is what we are talking about. I cannot think of exceptions to that categorisation. Advertisements by the PowerHouse Museum and the Art Gallery of New South Wales are in the entertainment section of the newspapers.

CHAIR: Can you identify any particular campaign?

The Hon. DON HARWIN: I did have a specific question, and I entirely understand if the Premier wants to take this on notice. I would like a list of each campaign, the cost of those campaigns and firms that were involved.

Mr CARR: I think the term "campaign" is a misnomer here. The advertising by these agencies is likely to be job recruitment. The arts bodies will have commercial advertising in the entertainment columns of the newspapers. We will do a search of advertising expenditure by each of the agencies. By and large, they are the only subjects for advertisements that come to mind.

The Hon. DON HARWIN: Also, could I have a monthly breakdown of the advertising expenditure of your agencies?

Mr CARR: If that is possible.

The Hon. DON HARWIN: Premier, what is the value of government advertising approved by the Cabinet subcommittee on advertising in 2002-03?

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

The Hon. DON HARWIN: If you are answering that question on notice, could you provide a breakdown—I know you do not like me to use the term "campaign"—of all campaign costs and which firms were involved?

Mr CARR: Sure.

The Hon. DON HARWIN: Have you approved any advertising not outlined in the six-monthly strategy approved by the Cabinet subcommittee on advertising as provided for in Premier's Department memo 2002 No. 15?

Mr CARR: I am not aware. There might have been some related to natural disaster contingencies. I will make that part of my response to the Committee.

The Hon. DON HARWIN: Thank you, Premier. If you are answering that on notice, again, could I have a breakdown of all the campaigns, the cost and the firms that were involved in making those advertisements?

The Hon. DUNCAN GAY: Premier, for each of your portfolio agencies in 2002-03 how much was spent on legal expenses?

Mr CARR: I will take that on notice.

The Hon. DUNCAN GAY: What was the breakdown for these expenses and who provided these legal services?

Mr CARR: You exclude from that the in-house legal advice we received from people on the public payroll?

The Hon. DUNCAN GAY: Yes.

Mr CARR: I will take that on notice.

The Hon. DUNCAN GAY: Did the Government pay for the legal expenses of Eddie Obeid?

Mr CARR: In connection with what?

The Hon. DUNCAN GAY: Anything.

Mr CARR: I certainly hope they did pay for anything relating to his ministerial duties—that is the invariable rule: expenses related to his role in government. The Government would be obliged to pay. The practice is that a Minister of the Crown is entitled to legal advice relating to legal actions that he or she attracts in accordance with his or her duties, and that is subject to the approval of the Attorney General.

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The Hon. DUNCAN GAY: Did the Government pay for the legal expenses of any other Minister?

Mr CARR: I hope so. I hope they paid for all of them when it was in connection with the performance of their duties. That was the practice when you were in government. I am certainly not going to abandon it.

The Hon. DUNCAN GAY: Could you find out the detail?

Mr CARR: If possible, yes

The Hon. DON HARWIN: For each of your portfolio agencies, in 2002-03 how much was spent on the salary packages for senior executive service staff members? What is the estimated cost for 2003-04?

Mr CARR: We would have to take that question on notice.

The Hon. DON HARWIN: In terms of your private or ministerial office, however you want to refer to it, how much did your office spend on taxi fares, including Cabcharge, in 2002-03? What is the estimated expenditure for 2003-04?

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

The Hon. DON HARWIN: For each of your portfolio agencies in 2002-03, could you also investigate how much was spent on taxi fares, including Cabcharge, in the 2002-03 financial year? What is the estimated expenditure for 2003-04?

Mr CARR: Sure. We would only have that information for the agencies under my portfolio.

The Hon. DON HARWIN: That was the question.

Mr CARR: I can get you the totals for 2002-03—this includes the Leader of the Opposition, I might add—\$454,709.

The Hon. DON HARWIN: This is 2002-03?

Mr CARR: Yes.

The Hon. DON HARWIN: Do you have an estimated expenditure for the coming financial year?

Mr CARR: No.

The Hon. DON HARWIN: I want to return quickly to a question asked by Ms Lee Rhiannon in relation to overseas travel. I want to confirm that I correctly understood your answer. In relation to official travel by you in 2002-03 to New Zealand you answered that there was only one trip you undertook.

Mr CARR: Yes.

The Hon. DON HARWIN: And that was to a seminar at the University of Otago?

Mr CARR: Yes.

The Hon. DON HARWIN: So there were no other trips to New Zealand in the last financial year paid for by the Government?

Mr CARR: No.

The Hon. DUNCAN GAY: What initial budget was allocated in 2002-03 for the ministerial office and other ministerial support?

Mr CARR: My ministerial office?

The Hon. DUNCAN GAY: Yes.

CHAIR: Is the question clear?

Mr CARR: Yes, but we have to find it in the file.

The Hon. DUNCAN GAY: I was only after your office budget.

Mr CARR: Yes. The 2002-03 budget for my office is \$5,467,341.

The Hon. DUNCAN GAY: Was this budget revised at any stage during the year and was it exceeded? If it was exceeded, how much was it exceeded by?

Mr CARR: It was not exceeded.

The Hon. DUNCAN GAY: Why does your office budget not appear in the budget papers?

Mr CARR: Well, it is classified under Services for Administration of Government at subprogram 4.1.5 Ministerial and Parliamentary Services on page 2-515.

The Hon. DUNCAN GAY: Does your ministerial office have a discretionary allowance?

Mr CARR: What do you mean by "discretionary allowance"?

The Hon. DUNCAN GAY: A discretionary allowance to go over budget, a special allowance?

Mr CARR: No.

The Hon. DUNCAN GAY: What are the addresses of the premises owned or rented for the purpose of ministerial accommodation?

Mr CARR: They are no secret. They are in the phone book.

The Hon. DUNCAN GAY: You will get me those?

Mr CARR: They are available in the phone book, but I do not want to deny the Committee vital information to this searching question. The office of the Premier's Office is the Governor Macquarie Tower, level 40. The address of the Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs, is the Governor Macquarie Tower, level 31. On the other hand and in contrast, the address of the Treasurer, Minister for State Development, and Vice-President of the Executive Council is the Governor Macquarie Tower, level 33—cunning old Egan! However, another story is told by Mr Della Bosca, Special Minister of State, Minister for Commerce, Minister for Industrial Relations, and Assistant Treasurer. His address—mark this well—is the Governor Macquarie Tower, level 30. We come now to Mr Knowles, Minister for Infrastructure and Planning, and Minister for Natural Resources. He is installed in the Governor Macquarie Tower, level 31. This is the same address; it is the same Governor Macquarie Tower. Mr Debus, Attorney General, and Minister for the Environment—

The Hon. DUNCAN GAY: My question was only to do with your portfolio.

Mr CARR: No, it was not.

The Hon. DUNCAN GAY: Yes, it was.

Mr CARR: It was all Ministers. Mr Debus, Attorney General, and Minister for the Environment—

The Hon. DUNCAN GAY: My question was the premises owned and rented with the purpose of ministerial accommodation relating to your portfolio.

Mr CARR: No, it was for all Ministers.

Ms LEE RHIANNON: You do not have to be smart. You do not do yourself any service. Do not waste the Committee's time.

The Hon. DUNCAN GAY: In case you have misunderstood my question, it is just yours. Have you detailed all the premises that are rented for your ministry?

Mr CARR: You keep shifting the ground of the question.

The Hon. DUNCAN GAY: No, I have not. It is you who keeps shifting it. You are the one who could not answer a question on the budget subcommittee, not me.

The Hon. JAN BURNSWOODS: You will be able to look at *Hansard* to check this.

Mr CARR: I need to clarify this. Are you talking about ministerial—

The Hon. DUNCAN GAY: Your department, the Premier's Department.

Mr CARR: The Premier's Department?

The Hon. DUNCAN GAY: The Premier's Department and subagencies under your ministry.

Dr GELLATLY: The Art Gallery?

The Hon. DUNCAN GAY: Yes.

Mr CARR: There is the Art Gallery of New South Wales. The address is Art Gallery Road. The Australian Museum—

The Hon. DUNCAN GAY: I am happy for you to get me a list of them.

Mr CARR: Are you suggesting that one of them has gone missing?

The Hon. DUNCAN GAY: No. I am just looking for a full list of the premises in your ministry that are rented.

Mr CARR: I can assure you that there is no secret.

The Hon. DUNCAN GAY: Can we also have the annual rental cost and the cost per metre of these premises?

Mr CARR: Yes.

CHAIR: Take that on notice.

The Hon. DUNCAN GAY: Are you happy with that, Premier?

Mr CARR: Yes. I will just clarify that the scope of the question is all the agencies under the Premier's administration?

The Hon. DUNCAN GAY: Yes. Are any floors or part floors of these premises currently vacant and have any fit outs been undertaken to ministerial accommodation in the past 12 months? If so, could you give details of contracted costs?

CHAIR: Is this back to the Premier's staff again?

The Hon. DUNCAN GAY: Yes, it has been the same all the way through.

Mr CARR: So what is this question about now?

The Hon. DUNCAN GAY: It is the same; all portfolios under the Premier.

Mr CARR: Under the Premier, there has been no change in the fit out of my office.

The Hon. DUNCAN GAY: It applies to your subagencies as well.

Mr CARR: By subagencies you mean what?

The Hon. DUNCAN GAY: The Cabinet Office, Parliamentary Counsel's Office, Premier's Department, the Independent Commission Against Corruption, the Ombudsman's Office, the State Electoral Office, the Independent Pricing and Regulatory Tribunal, the Sustainable Energy Development Authority, the Ministry for the Arts, the State Library of New South Wales, the Australian Museum, the Museum of Applied Arts and Science, et cetera.

Mr CARR: On the question of fit outs, I can say that the reallocation of space in the Governor Macquarie Tower for Ministers following the election has been achieved with only minor expenditure on fit out and services. No money was spent on the fit out of my office. Office fit out in that building has been designed to suit a range of alternative uses. Total floor space used by the Government in the GMT has been reduced progressively. The remaining lease space is used mainly to accommodate Ministers' offices and central agencies. Design and cost of fit outs for Ministers' offices in the GMT are in accordance with the guidelines of the Department of Commerce and the design standards applicable to the GMT. One advantage of centralising Ministers' offices in that building is improved security measures without the need to duplicate security services at many different locations. As we tighten security following the terrorism outrages in the world, that has proved of value. The Community Relations Commission, I should mention, was relocated following the tragic firebombing of the office.

Ms LEE RHIANNON: Under Premier's Department, it lists five points that you regard as key points for your office. One point listed is to manage issues and projects of significance to the State. Your own work has helped lift the significance of environmental protection. Considering the

ongoing tragedy of woodchipping old-growth forests in this State and in view of a letter to my colleague on 16 March 1995 in which you stated, "We will end export woodchipping by the year 2000 or earlier if regional circumstances permit", can you comment on when this practice will end because clearly you were not able to keep that promise?

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Mr CARR: We have more than kept our promises in saving areas threatened by woodchipping. We exceeded anyone's expectations when it came to saving the south-east forests. We saved an area greater than we were being asked to save by the environmental movement and greater than I promised to save in the 1995 State election.

Ms LEE RHIANNON: But you promised to end woodchipping of old-growth forests.

Mr CARR: Woodchipping from forest waste and forest residue is one thing. Under the previous Government, before I became Premier, beautiful trees were being sawlogged to be processed as woodchips. Now you have woodchipping from forest waste and residues. That is the difference.

Ms LEE RHIANNON: Are you saying that it is only what you call forest waste, that no whole logs are going into the woodchippers?

Mr CARR: By and large it is forest waste. Woodchipping is playing a smaller and smaller part of forestry activities in New South Wales. That is why there is so little campaigning about it.

Ms LEE RHIANNON: Recently I spent a week down in the south-east forests watching the log—

Mr CARR: I hope you admired the new national parks we have declared there.

Ms LEE RHIANNON: Yes, but it is a tragedy to see so many log trucks. Your colleague Mr Bracks is also responsible because many of these log trucks are coming from his State. Often we would be counting 20, 30, 40 trucks coming in loaded with logs every day, and they were not forest waste.

Mr CARR: We have saved more of the south-east forests than we promised to save in 1995. We have exceeded the policy we went to the people with, creating a splendid network of national parks running from the coast to the high country. I do not think these achievements are outweighed by the fact that we have a smaller and declining woodchipping industry, given that we have saved areas that would have been woodchipped if we had not been elected in 1995.

Ms LEE RHIANNON: The national parks are fantastic. However, do you have any immediate or long-term plans to end woodchipping, as you promised?

Mr CARR: In the context of the wholesale reform of forestry that we have given effect to—the change in forestry practices and the setting aside of these vast areas—it does not have the priority it had in 1995, when the whole of the south-east virtually was open to the threat of woodchipping. It is a fractional and declining part of forestry activity in New South Wales. We put the industry on a new, more sustainable basis. The forestry reforms are extensive. The whole character of the industry has been dramatically changed.

Ms LEE RHIANNON: Another point listed is the provision of strategic advice and services to the Premier. What safeguards does your department have in place to ensure that decisions made by your Government or individual Ministers are not influenced by donations to the Labor Party?

Mr CARR: The guarantee is the fact that our decisions are publicly announced, enunciated and exposed in Parliament. I do not apologise for any of the decisions we have made as a Government. I think we have more accountability in New South Wales than we have had at any time. I do not claim that our Government has created that. I think the establishment of the ICAC has been an important part of that. I think the processes of government are very accountable, and we have enjoyed a period, because of these achievements, of very sound and good governance in this State.

Ms LEE RHIANNON: But you have expressed concern about donations. Last June you spoke to the media about your concerns, and said that you would refer the issue of donations to the Council of Australian Governments [COAG]. Then in a letter to me of 18 August you said that you had written to Mr Howard and asked him to put it on the agenda but he had declined. You have agreed with the expressions of your colleague Mr Keating, the former Prime Minister, who has certainly spoken about his concerns about developer donations, and I think you also mentioned the tobacco industry. Where does it leave us? It has not got anywhere with the COAG, and you have said that you are concerned. What do we do?

Mr CARR: Your concern should be addressed to the Prime Minister, because I wrote to him and suggested national action to ban donations. He wrote me a reply declining to do it. A ban on one State will not be effective because donations will be made to party trusts in other States and channelled back into New South Wales. That is why any restraint, as I have said in Parliament—I have said this in Parliament, I think, on two occasions, and I addressed it in interviews at the last State election—must be on a national basis. However, when it comes to developers, I get nothing from them but complaints about the high standard of environmental—

Ms LEE RHIANNON: Because they want more.

Mr CARR: No, complaints about the high standard of design we are enforcing on them by the planning restraints they are subjected to.

Ms LEE RHIANNON: Considering that we have hit a roadblock federally, considering that you hope Labor will come to power federally—obviously that will happen—and considering that you are the Premier of the leading State, will you take this up with your Federal colleagues so that the policy is in place when Labor resumes power federally and we can then move on this issue? Is that one way to proceed?

Mr CARR: Yes, that is consistent with everything I have said about the need for restraint on campaign donations from any sector considered self-serving to be legislated for on the national level, otherwise donations will flow to one of the major parties in one State and be channelled into another jurisdiction.

Ms LEE RHIANNON: Another key aspect of your department's work that is listed is to maintain the effective management of public sector staff and resources. Particularly emphasising resources, you probably remember that in 2002 your Government introduced a printing allowance for members of the Legislative Assembly. I imagine you remember it well. It is about 77¢ per voter. In your electorate I think that adds up to about \$58,000 for you. Considering that the purpose of the allowance is to promote work undertaken by State MPs, do you think it is appropriate for the newsletters of State Labor MPs to carry information about political campaigns that Federal Labor is undertaking, such as Medicare?

Mr CARR: I make no apologies for fighting hard to protect universal health insurance. Medicare is under attack. Because the Federal Government is pursuing a policy of winding back bulk-billing we have emergency departments, and the doctors, nurses and ambulance employees who work in them, under pressure as never before. This is something I have been campaigning on, particularly in the past fortnight, and with all the other Premiers. It was a major reason we walked out of the COAG meeting on Friday. I think it is entirely legitimate that State Labor MPs outline to their electorates how they are fighting hard to protect Medicare. It has a direct bearing on what happens in the emergency departments of our hospitals. As it happens, Federal Labor took up the campaign that was initiated by State Labor. They adopted our campaign.

Ms LEE RHIANNON: But is it legitimate for State Labor MPs to highlight that Federal Labor is running a campaign on Medicare? Are you happy with that, considering that our guidelines are pretty strict on what these newsletters should cover?

Mr CARR: I think members must be aware that the newsletters are being provided—by the way, they came in because of a recommendation, I am advised, of the Parliamentary Remuneration Tribunal [PRT]. It was not an act of the Executive Government that conferred on MPs—

Ms LEE RHIANNON: I think you asked for it, though, did you not?

Mr CARR: I hope I did.

Ms LEE RHIANNON: You asked for it and the tribunal gave it to you.

Mr CARR: I strongly supported it.

Ms LEE RHIANNON: But you came before the PRT.

Mr CARR: Yes, but it is appropriate to point out that the PRT introduced it. It recommended the allowance.

Ms LEE RHIANNON: No. I think that was after you asked for it, so let us get that on the record.

Mr CARR: Yes, but that is the process by which it arrived. It is not an illegitimate raid on public funds by a piratical Premier. Health is an area where you have State and Commonwealth policies interfacing, and I demonstrated in everything I said—I am sure you heard me talking about it in the media—out of Friday's meeting that when the Federal Government allows Medicare to contract in the form of bulk-billing, then there is direct pressure channelled through into our emergency departments. Therefore, subject to the normal constraints—and I am advised that the newsletters are subject to the approval of the Clerk of the Parliament—it is appropriate for a Legislative Assembly MP to talk about what this means.

Ms LEE RHIANNON: Both you and I remember the Cold War, but it is interesting that these days the term "the RED strategy" can be used.

The Hon. DUNCAN GAY: You were on different sides.

Mr CARR: I do not know. I did not encounter you on the barricades during the Cold War. You could have been a fully paid up CIA agent.

Ms LEE RHIANNON: That is interesting coming from your side. The term "the RED strategy" can be used these days without causing concern. You may be aware that you are funding the RED strategy, which is the Redfern, Eveleigh, Darlington Strategy, to the tune of \$30.7 million so far. Of that amount of money, how much was spent on consultancies, and what type of consultancies were undertaken?

Mr CARR: I need to take advice on the break-up of the expenditure.

Ms LEE RHIANNON: May I add something else while you take advice?

Mr CARR: Sure.

Ms LEE RHIANNON: What projects did Brian Elton Consulting—I think he is one of Labor's favourite consultants—undertake, and what was the total value paid to Brian Elton Consulting?

Mr CARR: You say he is one of Labor's favourite consultants. I have never heard of Brian Elton.

Ms LEE RHIANNON: He pops up around the traps. Your people use him a lot.

Mr CARR: Who are my people?

The Hon. DUNCAN GAY: Your Stasi.

Mr CARR: They may or may not be the Stasi, but I have never heard of Brian Elton, whoever he is.

Ms LEE RHIANNON: He gets a lot of work with you. Can you also take on notice—

Mr CARR: I am sorry, I am advised that my office is not aware of him ever being used on Government work. The head of the Cabinet Office has never heard of him. The head of the Premier's Department has not heard of him so if he is here he should stand up.

Ms LEE RHIANNON: He was used on the big project at Prince Henry Hospital, much to the disquiet of a lot of local people.

Mr CARR: Can I take advice on that, because it is my electorate. I have had no concern on behalf of the local people about the allegedly omnipresent Mr Elton.

Ms LEE RHIANNON: Can you also take advice on this question? Of that amount, how much will be spent on local community engagement?

Mr CARR: Sure. That is a serious question. We are attaching a high priority to the program for Redfern. In addition to providing that information to the Committee, I would be very happy to have the Hon. Lee Rhiannon briefed on it because I think there are major social policy challenges here and all members of Parliament should brief themselves on it. We are only trying to build a community, to fix the problems of some families under severe stress and to see that everyone in the Redfern-Waterloo area can live a safe, productive and happy life. But if there is any evidence that the money we have allocated has been misapplied in unnecessary consultancies, I would be as interested as the Hon. Lee Rhiannon to find that out, and I will respond appropriately.

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CHAIR: Page 2-13 of Budget Paper No. 3, Volume 1, refers to the Sustainable Energy Development Authority. There were warnings in the *Australian Financial Review* of 25 August that the State and Federal governments had been warned that Australia could be yet susceptible to a New York style power failure unless they encouraged more efficient use of energy resources. Page 2-14 refers to the Energy Smart Homes policy and makes reference to water heating requirements, and so on, to reduce the problem. Are there any plans regarding airconditioners? Apparently the main pressure in the United States was the number of airconditioners that are now installed, the heat wave during summer and the pressure that was put on the power source.

Mr CARR: The best advice I have on the possibility of a New York style situation here is that there is more central control over the grid in Australia than in the north-east United States. Obviously anyone running an electricity distribution authority anywhere in the world would need to assess carefully the strength of the system in the light of that experience, and I am advised that the relevant electricity authorities here are doing that. Obviously, we must respond to the key challenge here, and that is the steady rise in energy consumption, driven by airconditioning, as you correctly pointed out, as well as by the installation of computers, against a backdrop of the rise in population in the Sydney basin. A range of energy conservation measures has been pursued. The Government is working on additional energy conservation measures that we hope to have ready to announce shortly. We have taken the lead in urging national action to reduce greenhouse emissions in Australia. I would expect that either I or the Minister for Energy and Utilities will be addressing in the next few weeks the issue of rising energy consumption and the demand management approaches we are able to take.

CHAIR: You have been asked some questions about the Australian Museum. To clarify, Budget Paper No. 3, Volume 1, at page 2-19, refers to a \$500,000 increase in the budget over five years. A \$500,000 increase is only a 1.39 per cent increase during this period or a 0.28 per cent increase per annum, so it would not cover any new development programs. In fact, it would appear to be a budget cut in real terms. Is that deliberate policy or is there some explanation for that? It may be affecting the problems in the museum itself.

Mr CARR: The museum has an extra \$2.3 million in this budget. That is a one-off increase. It could not be said that the museum is underfunded. In 1996 it received \$12 million over four years for major exhibitions. In June 1999 there was \$1.5 million to help it address the deficit. That was one-off funding. In July 1999 there was \$155,000 per annum for relocation of anthropology. That is ongoing. In June 2000 there was \$1.2 million to address the deficit. That was one-off. In July 2000 there was \$250,000 for a fundamental review. That was one-off. In 2000-01 there was a \$1 million per

annum increase. That is ongoing. In June 2001 there was \$1.2 million one-off. In 2001-02 there was a \$1.35 million per annum increase. In July 2003 there was supplementation, as I have mentioned, of \$2.3 million to address delays in achieving cross-government savings and other budget problems consistent with planning studies, that part of it being one-off. A review of the museum has been undertaken by independent experts overseen by a steering committee, and recommendations for organisational change arising from this review have been endorsed and will soon be implemented.

CHAIR: In Budget Paper No 3, Volume 1, at page 2-54, there is a reference to counter-terrorism and emergency co-ordination. The paper states earlier that your department is co-ordinating counter-terrorism planning. It seems that that has now been moved out of your department. Can you clarify whether there is still a unit there, because of the tremendous importance of such a unit in the Premier's Department for co-ordination?

Mr CARR: Yes. There used to be a unit of the department dealing with national disasters. We have now separated counter-terrorism and emergency co-ordination. In addition to that, we established the police counter-terrorism command. The Cabinet committee on counter-terrorism meets regularly and oversees the work of government agencies in this area. Not only government agencies, but non-government agencies have to give accounts of their counter-terrorism preparedness to the committee—for example, Sydney airport. We have required all government agencies to account to us for a higher level of terrorism readiness at all critical infrastructure. That includes private critical infrastructure as well as government critical infrastructure. I am advised that just about all the equipment for the police relevant to the new counter-terrorism command is available, although there has been a delay in the helicopter due to training requirements. The fire brigades have extra equipment.

Moreover, there are regular terrorism exercises. The most recent one triggered co-operation from the Federal Government and was quite a rigorous exercise. This is done on the foundation of work that was in place for the co-ordination prior to the Sydney Olympics. I believe, while no guarantees are available in this area, we have done as much on these fronts, such as police readiness or planning for critical infrastructure, as could reasonably be done. There is liaison with the Federal Government, of course, and a large part of our readiness will be related to the availability of intelligence on terrorist strikes in Jakarta, Bali, and in New York for that matter, that remind us that soft targets—a nightclub, a hotel and office buildings—are just as much targets as a power station or a bridge.

CHAIR: It has been reported that in producing the bombs that have been used in large attacks, such as Bali, common fertiliser was used—amyl nitrite—a large quantity. Do you think there should be some restriction or some proof of identity in the purchase of this material for individuals to show they are genuine primary producers?

Mr CARR: This has been discussed by the counter-terrorism committee of Cabinet, the possibility of monitoring and tracing the sale of fertiliser or chemicals used in the manufacture of fertiliser. It is a huge regulatory task for one reason, and that is that I understand only a small amount of such chemicals would be required in the construction of a powerful bomb. As a result, there is some doubt about whether any regulatory system would be adequate to this task. Nonetheless, it is something we will continue, given the Oklahoma City bombing, to keep under review. But regulating who buys a small quantity of fertiliser is a pretty formidable regulatory task, I am advised.

CHAIR: I understood it took one tonne of fertiliser to make the bomb in Bali, with a small detonator, but I appreciate your answer.

The Hon. DUNCAN GAY: Premier, in relation to transcripts you mentioned earlier that you do not receive any transcripts.

Mr CARR: No, I said it is my understanding that Reame does not supply us. I understand we generally do not ask Reame to supply us with transcripts, although some Reame-derived transcripts have been available. Again, that would be covered by my earlier answer about funding as required from ministerial offices.

The Hon. DUNCAN GAY: Perhaps if I put the question again. Do you receive transcripts? What is the cost of providing transcripts and how many transcripts were written by Reham or any other media monitoring unit? I am happy to put that on notice.

Mr CARR: I am not aware if I can tell you how many. I am not aware we have a record of how many might have been obtained by Reham.

CHAIR: To clarify that, is it correct, though, that the Reham material is available to all members of Parliament through the Parliamentary Library?

Mr CARR: I do not know.

The Hon. DUNCAN GAY: Will you make it available?

Mr CARR: I am advised that it is available from the Parliamentary Library.

CHAIR: I make great use of it.

Mr CARR: If it does not trespass on your independence, maybe you can coach the Leader of the Opposition's office. They are having trouble with it.

The Hon. DON HARWIN: On page 2-51 of Budget Paper No. 3, Volume 1, ministerial and parliamentary services in the past financial year had 139 staff. I notice below that the employee-related expenses were in excess of \$15 million. If I understand that correctly, that means that all the staff of ministerial and parliamentary services are earning in excess of \$100,000 per year. It seems that on average that would be the figure.

Mr CARR: Where is the \$15 million?

The Hon. DON HARWIN: Operating statement, operating expenses, employee-related, budget \$12,762,000, revised to \$15,435,000. Apart from the fact that almost \$2 million extra was spent above the budget, can you at least comment on the fact that the average salary seems to be more than \$100,000 year? It is part of your department, closely associated with servicing your needs as Premier.

Mr CARR: The thing that is wrong with your calculations is that it produces an average salary. But overheads would be a significant part of that calculation.

The Hon. DON HARWIN: And they would not be included in other operating expenses?

Mr CARR: No. That is not salaries; that is all employee-related expenses.

The Hon. DON HARWIN: Can you explain then why there was such a significant discrepancy between the budgeted figure and the figure that was eventually spent in the 2002-03 budget, and again why it is planned to increase so much this year?

Mr CARR: The 2003-04 budget includes the budget allocation for additional Ministers' offices, hosted now by this department but previously, as I am advised, not hosted by the department.

The Hon. DON HARWIN: And the discrepancy between the revised and the budgeted figure from 2003-04?

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Mr CARR: The revised estimate of \$15.435 million includes the cost for the period 1 April to June 2003 for the additional seven Ministers now hosted by the Premier's Department. That extra expense clicked in earlier than the start of the financial year. These costs would appear elsewhere in the budget papers if the Premier's Department were not providing host agency support to these Ministers. I think this came out earlier in the year, but if those ministerial officers were hosted elsewhere they would not appear in our budget. The 2003-04 estimate of \$21.572 million includes the anticipated full-year cost of ministerial and parliamentary services operations, 10 Ministers and the Premier.

The Hon. DUNCAN GAY: Why did you say earlier that there was not an increase? Why did you say that you had not exceeded your budget?

Mr CARR: When?

The Hon. DUNCAN GAY: When I asked earlier in the hearing.

Mr CARR: That was the Premier's Office budget. This is not the Premier's Office. This is an agency of the Premier's Department that provides services for the administration of government. It is not the Premier's Office.

The Hon. DON HARWIN: As to the redistribution of electoral boundaries that you have announced, which will start, presumably, in this financial year—you might confirm that—what funds have been put aside in the State Electoral Office allocation for that purpose?

Mr CARR: We would have to take that question on notice.

CHAIR: Thank you, Mr Premier, and your departmental officers for attending tonight's hearing and for your co-operation. We will receive your answers to those questions on notice in due course.

Mr CARR: It is my pleasure. I will hear from you if the answers are deemed inadequate. I am interested in a lot of the answers myself.

CHAIR: If there are any other questions from members, they will be put on notice in the normal way. I declare the meeting closed.

The Committee proceeded to deliberate.
