

# GENERAL PURPOSE STANDING COMMITTEE No. 1

Monday 13 October 2008

Examination of proposed expenditure for the portfolio areas

## FINANCE, INFRASTRUCTURE, REGULATORY REFORM

The Committee met at 2.00 p.m.

### MEMBERS

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

The Hon. K. F. Griffin  
Dr J. Kaye  
The Hon. M. R. Mason-Cox

The Hon. G. Pearce  
The Hon. P. G. Sharpe  
The Hon. I. W. West

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### PRESENT

**The Hon. J. G. Tripodi**, *Minister for Finance, Minister for Infrastructure, Minister for Regulatory Reform, and Minister for Ports and Waterways*

**NSW Treasury**

**Mr M. Ronsisvalle**, *Deputy Secretary*

**Mr M. Schur**, *Deputy Secretary of Infrastructure Management*

**Better Regulation Office**

**Mr W. Murphy**, *Acting Director*

**Motor Accidents Authority**

**Mr D. Bowen**, *General Manager*

**Lifetime Care and Support Authority**

**Mr D. Bowen**, *Chief Executive*

**WorkCover NSW**

**Mr J. Blackwell**, *Chief Executive Officer*

**Ms V. Telfer**, *General Manager, Strategy and Policy*

**State Property Authority**

**Ms A. Skewes**, *Chief Executive Officer*

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## **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 open to the public this hearing into the budget estimates 2008-09. I again welcome Minister Tripodi and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolios of Finance, Infrastructure and Regulatory Reform. I refer witnesses, the audience and members of the media to my earlier statement about procedural matters such as the broadcast of proceedings. The Committee has agreed to the following format. There will be a break at 3.30 for 10 minutes for afternoon tea. We will examine the portfolios as a combined group, so members of the Committee will ask questions at any point on any of your responsibilities. All witnesses from departments, statutory bodies and corporations will be sworn prior to giving evidence.

**MARK ANTHONY RONISVALE**, Deputy Secretary, Treasury, and

**JON BLACKWELL**, Chief Executive Officer, WorkCover NSW, sworn and examined:

**VICKI TELFER**, General Manager, Strategy and Policy, WorkCover NSW,

**MICHAEL SCHUR**, Deputy Director, Office of Infrastructure Management, Treasury,

**WILLIAM MURPHY**, Acting Director, Better Regulation Office,

**MARGARET ANNE SKEWES**, Chief Executive Officer, State Property Authority, and

**DAVID BOWEN**, General Manager, Motor Accidents Authority, and Chief Executive, Lifetime Care and Support Authority, affirmed and examined:

**CHAIR:** There is no provision for an opening statement. Do you wish to table anything?

**Mr JOSEPH TRIPODI:** No, thank you.

**The Hon. GREG PEARCE:** Mr Tripodi, I do not normally ask questions based on newspaper reports but there is a lot of interest in this one. Have you participated in any discussions in relation to the proposed sale of New South Wales Lotteries?

**Mr JOSEPH TRIPODI:** No.

**The Hon. GREG PEARCE:** None whatsoever?

**Mr JOSEPH TRIPODI:** Not with any officials, no.

**The Hon. GREG PEARCE:** Have you had any briefings in relation to the proposed sale?

**Mr JOSEPH TRIPODI:** Not that I recall, no.

**The Hon. GREG PEARCE:** Are you aware of the touted \$100 million to \$1 billion sale proceeds from State Lotteries?

**Mr JOSEPH TRIPODI:** I have read it in the newspaper, yes.

**The Hon. GREG PEARCE:** Are you aware of the return earned by New South Wales Lotteries

**Mr JOSEPH TRIPODI:** According to today's newspaper?

**The Hon. GREG PEARCE:** I prefer to look at the annual return, which says the return on average shareholders equity last year was 105.8 per cent. That is a good return?

**Mr JOSEPH TRIPODI:** Is that a good return?

**The Hon. GREG PEARCE:** Yes. Do you think so, 105 per cent?

**Mr JOSEPH TRIPODI:** I think they are questions better directed to the Treasurer. Lotteries are not under my control.

**The Hon. GREG PEARCE:** You are the shareholding Minister, are you not?

**Mr JOSEPH TRIPODI:** Yes, but the issue in relation to that kind of stuff is best directed to the Treasurer.

**The Hon. GREG PEARCE:** But you would agree that it is a good return?

**Mr JOSEPH TRIPODI:** I do not think anyone would dispute that is a good return.

**The Hon. GREG PEARCE:** Have you had any discussions with any of your relatives, friends or acquaintances about forming a consortium to buy New South Wales Lotteries?

**Mr JOSEPH TRIPODI:** You are not serious, are you?

**The Hon. GREG PEARCE:** I am serious.

**Mr JOSEPH TRIPODI:** No.

**The Hon. GREG PEARCE:** Can you give this Committee any guarantees that you will not have any discussions or assist any of your friends, relatives or acquaintances to participate in any purchase of New South Wales Lotteries?

**Mr JOSEPH TRIPODI:** Of course.

**The Hon. GREG PEARCE:** You give that guarantee?

**Mr JOSEPH TRIPODI:** One hundred per cent.

**The Hon. GREG PEARCE:** What savings are budgeted to be achieved in 2008-09 as a result of the operations of the State Property Authority?

**Ms SKEWES:** The State Property Authority—

**The Hon. GREG PEARCE:** Sorry, does the Minister know?

**Mr JOSEPH TRIPODI:** You are asking what we are budgeting to achieve?

**The Hon. GREG PEARCE:** Correct?

**Mr JOSEPH TRIPODI:** No, I do not know. The chief executive will answer that question.

**Ms SKEWES:** The State Property Authority in 2008-09 is projecting to achieve dividend payments above what was achieved in 2007-08. The 2007-08 figure was \$32.5 million.

**The Hon. GREG PEARCE:** No, I am actually asking you what savings have been achieved by having your authority in existence and by utilising the processes and services that your authority provides?

**Ms SKEWES:** The State Property Authority, over the course of this year, has spent a number of months having properties that are currently vested with a number of government agencies transferred in under its control, so the first 12 months of the authority's activities have really been about establishing the authority and having properties vested in the agencies so that we can achieve those efficiency measures.

The efficiencies are very much intended to flow on throughout the years from 2009 onwards when we are able to have the properties at the completion of the vesting program. We currently have an establishment program in place, where we have properties come over under our control and management and when those

properties are finalised and then transferred to the agencies. That is when we will effectively see a greater number of savings.

**The Hon. GREG PEARCE:** So you are expecting the savings from 2009?

**Ms SKEWES:** We effectively need to have a large portion of those properties under our control and management for the centralised activities around property management, leasing and other things—

**The Hon. GREG PEARCE:** What is your budget in savings for 2009?

**Ms SKEWES:** The budget in terms of dividends—

**The Hon. GREG PEARCE:** No, savings?

**Ms SKEWES:** We will actually see those savings measures flow on, but we are already achieving savings in respect of leasing.

**The Hon. GREG PEARCE:** How much are you achieving?

**Ms SKEWES:** We project a figure of about \$60 million-odd. If you look at asking rents and projected rents that we are actually achieving in the marketplace for agencies, those are the sorts of figures we are looking at over that period of time.

**The Hon. GREG PEARCE:** Could you provide the Committee with calculations as to how you get to that \$60 million figure?

**Ms SKEWES:** Yes, I can give you details of that and I will take that on notice, but it is effectively the difference between the asking rents and the agreed rents that we are achieving in the marketplace for government agencies.

**The Hon. GREG PEARCE:** Mr Tripodi, I assume you have read the Stokes Vertigan report?

**Mr JOSEPH TRIPODI:** It was a while ago, yes.

**The Hon. GREG PEARCE:** And the Government's economic and financial statement, which was the response?

**Mr JOSEPH TRIPODI:** It was a while ago that I read it.

**The Hon. GREG PEARCE:** Are you aware that the Government's response indicated that by 2009-10 the new property authority was expected to have saved in excess of \$300 million a year?

**Mr JOSEPH TRIPODI:** That was the expectation at that time, yes.

**The Hon. GREG PEARCE:** Is that \$60 million up to expectations?

**Mr JOSEPH TRIPODI:** Given the scope of the reform expected of the State Property Authority, I think its performance is going quite well. The process of transferring ownership and property management functions from one agency to another is a very exhaustive and long process. You are a lawyer; you know how much time is spent on the conveyancing and a whole range of other transfer processes, even though it is slightly—

**The Hon. GREG PEARCE:** Are you doing conveyancing?

**Mr JOSEPH TRIPODI:** No, you are, but I expect that as the framework is put into place and the processes are shored up, the results are going to be very good.

**The Hon. GREG PEARCE:** Ms Skewes, what are your projected sales of excess property this year?

**Ms SKEWES:** Could you clarify what you mean by "excess"?

**The Hon. GREG PEARCE:** Well, excess to government requirements?

**Ms SKEWES:** The State Property Authority in 2007-08 achieved something in the order of \$41 million that we returned as a capital appropriation to the New South Wales Government. That is over and above the \$32 million worth of dividend payment as a result of our efficient and profitable activity.

**The Hon. GREG PEARCE:** So what is the budget for next year for sales of the excess property?

**Ms SKEWES:** We anticipate a sales program of around about the \$80 million-odd mark. That is sales that we do on behalf of other agencies because, as we have indicated and as the Minister has said, we are still in the position of getting properties under our control and management. Once we have properties under our control and management we will be expecting to be in a stronger position in relation to identification of surplus government land and further sales being progressed beyond that.

**The Hon. GREG PEARCE:** What procedures do you have in place to ensure that Mr Tripodi's friends, relatives and acquaintances do not receive preferential treatment in any of these sales?

**The Hon. IAN WEST:** That is an inappropriate question.

**The Hon. GREG PEARCE:** It is not an inappropriate question. I am asking about corporate governance and whether the Minister has any influence on the sales.

**The Hon. IAN WEST:** Chair, that really is an inappropriate question to be asking of the Chief Executive Officer of the State Property Authority.

**The Hon. GREG PEARCE:** It is totally appropriate. The manager can answer it.

**The Hon. IAN WEST:** You might ask for an opinion from the Minister but it is completely out of order and inappropriate.

**The Hon. GREG PEARCE:** Are you taking a point of order, Westie?

**The Hon. IAN WEST:** Yes, and you should not be asking that sort of a question.

**The Hon. GREG PEARCE:** I am perfectly entitled to ask what procedures the authority has in place to ensure that there are no conflicts of interest and no opportunities for preferential treatment or special treatment or influence by the Minister in relation to the sale of properties. That is a perfectly sensible corporate governance question.

**Ms SKEWES:** I am absolutely confident that the processes that the State Property Authority has in place with respect to its property dealings and with its land disposal activities are very strong. They model the very good practices—

**The Hon. GREG PEARCE:** What processes are there, though?

**Ms SKEWES:** The Government Asset Management Committee, of which you may be aware, oversees all government disposal activity. It receives recommendations of disposal of property proposed for being excess to agencies requirements and properties proposed for sale. All of those go up through the Government Asset Management Committee, which is an interdepartmental committee chaired by the Director General of the Department of Premier and Cabinet and all of our sales are subject to those sorts of processes.

**The Hon. GREG PEARCE:** Mr Tripodi, did any ministerial staff receive redundancies last financial year?

**Mr JOSEPH TRIPODI:** That is a question for the Premier because they are employees of the Premier's Department.

**The Hon. MATTHEW MASON-COX:** Mr Tripodi, I wanted to ask you about superannuation. First of all, can you just explain to the Committee how the State's unfunded superannuation liability was calculated?

**Mr JOSEPH TRIPODI:** How it is calculated?

**The Hon. MATTHEW MASON-COX:** Yes?

**Mr JOSEPH TRIPODI:** It is based on the assets and forecasted liabilities.

**The Hon. MATTHEW MASON-COX:** How is it calculated?

**Mr JOSEPH TRIPODI:** The 2008-09 budget estimates general government unfunded superannuation liabilities of \$17.126 billion, by 30 June 2008, will be rising to \$20.024 billion by 2012 under the accounting standard 119. Most of this increase results from a technical adjustment to the discount rate used to value the liabilities, rather than an increase in the underlying future cash obligations.

**The Hon. MATTHEW MASON-COX:** That is accounting standard 119?

**Mr RONISVALLE:** There is an accounting standard that is used by the superannuation fund, but then there is an accounting standard that is required to be used by the general government sector. I am trying to find the accounting standard that is used.

**Mr JOSEPH TRIPODI:** The Government's superannuation funding plan has been prepared in line with the Australian accounting standard AAS 25, which applies to all the Australian superannuation funds. Under AAS 25 the discount rate adopted is the forecast long-term average investment return. For balance sheet purposes, unfunded superannuation liabilities are measured under the Australian accounting standard ASB 119. Under this standard, future cash flows are measured in today's dollars using a discount factor equivalent to the interest rate payable on a government bond. That is the method.

**The Hon. MATTHEW MASON-COX:** You mentioned that accounting standard AAS 25—which is the old accounting standard, is it not?

**Mr JOSEPH TRIPODI:** I am not sure if it is an old accounting standard.

**The Hon. MATTHEW MASON-COX:** Let me enlighten you. The new accounting standard is AASB 119. If I refer to AASB 119, with regard to that the unfunded superannuation liabilities would be, on your own figures, \$19 billion, rather than \$12 billion, which applies under AAS 25. Are you familiar with that, Minister?

**Mr JOSEPH TRIPODI:** I am familiar with the fact that they are different accounting standards and obviously there is a difference in view about what accounting standard should be used to calculate the net liability, yes.

**The Hon. MATTHEW MASON-COX:** Our concern is that you have chosen the old standard with which to calculate unfunded superannuation liabilities, rather than the new standard, and it appears that the only reason for that is that the old standard provides you with fewer unfunded superannuation liabilities. Our concern is that the appropriate standard be applied, to ensure that there are enough funds being put away each year to cover unfunded liabilities in the long run. Can you give me that assurance, Minister?

**Mr JOSEPH TRIPODI:** AASB 119 is being used in the budget papers. There is a very strong argument—and it is the appropriate standard, I am advised, because using the government bond rate would lead to a higher liability. That is not the appropriate discount rate in this case, because the portfolio of assets are not a riskless bundle of assets; there are equities in there. So the appropriate discount rate is the higher rate, which is the one that has been used by Treasury. That explains the difference that the Opposition has been concerned about. It is about which discount rate you use according to the accounting standard, and Treasury believes it is using the appropriate discount rate, as reflected in that accounting standard it is using.

**Mr RONISVALLE:** If I could clarify the matter. On page 6-20 of the budget papers you will see that there is a table explaining the difference between the two standards. It shows that the lower liabilities are calculated under AAS 25, but the numbers that were actually used in the budget papers and used for the State's balance sheet are calculated under 119.

**The Hon. MATTHEW MASON-COX:** That is the concern I have in relation to the use of AAS 25. If you look at page 6-19, the previous page, you will see the chart 610, which makes very clear the expected unfunded superannuation liabilities going forward to 2030. In that regard, under AAS 25, you end up with no liability based on your figures moving forward, but a very significant liability under ASB 119. Why are we not using ASB 119, given that it is the most recent and accepted standard, rather than the outdated standard AAS 25?

**Mr RONISVALLE:** Because if we use the accounting standard 119—

**The Hon. MATTHEW MASON-COX:** It gives you a better result?

**Mr RONISVALLE:** No. As that graph in the budget paper shows, funding on that basis would result in overfunding superannuation liabilities, and that in 2030 under the current funding plan we would have no obligation to pay any more cash into the superannuation scheme, but the standard would still show us as having an unfunded liability. In other words, if we continued funding on that basis we would overfund the superannuation scheme.

**The Hon. MATTHEW MASON-COX:** That is the question, is it not? What is an appropriate amount of money to be putting into superannuation year in and year out, particularly given the circumstances we are now faced with in the international economic crisis with investment returns going through the floor? Would you have a view in relation to that amount being revised in the mini-budget, so far as ensuring that those unfunded liabilities are met over time?

**Mr JOSEPH TRIPODI:** There are periods when the superannuation fund performs very well. The counter argument to what you are proposing is that we should cut back our contributions consistently in those circumstances. There are periods when the superannuation fund, as a consequence of the risks involved, performs less than average. Treasury will make the appropriate allocations in terms of the superannuation fund to achieve the 2030 target, and it is of the view that the appropriate accounting standard is being used.

**The Hon. MATTHEW MASON-COX:** As the Minister responsible for superannuation, will you be seeking to have these issues reviewed in relation to the mini-budget?

**Mr JOSEPH TRIPODI:** I will not be going into the ins and outs of what will be part of the mini-budget process.

**The Hon. MATTHEW MASON-COX:** I take you back to the previous budget. In the 2007-08 budget the investment return assumption was changed from 7 per cent to 7.7 per cent, the discount rate was increased from 7 per cent to 7.3 per cent, and pensioner mortality rates were increased as well, despite all the forecasts showing an ageing population. All these factors combined significantly reduce the Government's unfunded superannuation liability; there is no doubt about that. The concern we have is that you are just playing with the future of the State's superannuation, the employees of the State, in order to cover up the true problems in the budget. Can you respond to that, Minister?

**Mr JOSEPH TRIPODI:** The most important thing about this—regardless of whether there are changes year to year—is that we are providing sufficient funds to achieve the 2030 target. The Government is confident of being able to achieve that. While you may be able to identify some changes that are made from year to year, the 2030 target is what really matters, and we are confident of achieving that.

**The Hon. MATTHEW MASON-COX:** The concern is that you have set yourself up with a 2030 target under the Fiscal Responsibility Act—which you comply with when you can and you breach the legislation when you feel like it. So there is not a lot of comfort for people who have superannuation in these funds when you say, "We are going to meet our target in 2030." It is in the never-never. What you have done for years is change the assumptions to make the target as achievable as possible. That is a concern. We are talking about people's future livelihoods and superannuation here. We need to ensure we are putting a prudent amount of money away on a regular basis, under the correct accounting standards.

**Mr JOSEPH TRIPODI:** I am advised that the numbers that are being used, and the ones that you referred to in the budget paper, are numbers that are generated through independent advice, and Treasury is guided by that independent advice, with an understanding that the 2030 target is the ultimate goal of that relevant Act that you refer to.

**The Hon. MATTHEW MASON-COX:** In the coming mini-budget you do not intend to take any further action to protect the superannuation of State employees?

**Mr JOSEPH TRIPODI:** There is no doubt, as you would be aware, that every year the performance of the superannuation fund will vary according to what is happening globally and within our equity markets and all our other financial asset markets. As to whether Treasury will need to change its contributions to that fund, Treasury seeks advice on those issues. So, obviously, Treasury will be guided by that advice once again. To suggest that you need to instantly realign every time there is a movement in the financial asset markets—you would understand that that is not necessary for a good fiscal policy.

**Dr JOHN KAYE:** Before I ask a question I need to declare a class interest in this. I am a holder of a defined benefits policy with State Super. Why is New South Wales the only State, and in fact the only jurisdiction in Australia, that does not provide twice-yearly indexation for defined benefits superannuation schemes?

**Mr JOSEPH TRIPODI:** For the simple reason that it is a fiscal measure that we believe is responsible. Every decision about how you spend and fund different programs is weighed up against a whole range of other different options and variables and the Government has made the decision that that is an expense it would rather not incur, with those savings being redeployed to other Government priorities.

**Dr JOHN KAYE:** Is every other State and Territory and the Commonwealth being irresponsible then because they provide twice-yearly indexation?

**Mr JOSEPH TRIPODI:** I did not suggest that. What I suggested was in every spending allocation the Government will determine what its priorities are and each respective government has different priorities. In our case that does not rate as a superior priority like other issues, such as spending on mental health or roads or other priorities.

**Dr JOHN KAYE:** What would be the total annual cost of making the transition to twice-yearly indexation of defined benefits superannuation? Of course it would be a rising figure and then a declining figure.

**Mr JOSEPH TRIPODI:** I am advised that the one-off expense would be \$240 million.

**Dr JOHN KAYE:** What do you mean by that figure? Do you mean that is the annual—

**Mr JOSEPH TRIPODI:** The net present value [npv].

**Dr JOHN KAYE:** The net present value is \$242—

**Mr JOSEPH TRIPODI:** \$240 million.

**Dr JOHN KAYE:** That is the net present value of the total income cost over a 50 or 60-year period, or 40-year period I guess?

**Mr JOSEPH TRIPODI:** The cost of making that adjustment half yearly as opposed to yearly.

**Dr JOHN KAYE:** Thank you. I want to talk about the occupational health and safety legislation. As you would be aware there has been a long-running saga about an attempt to harmonise Australia's various jurisdictions. New South Wales made a submission to the Federal Government's Occupational Health and Safety Inquiry into Harmonisation. I want to ask what was included in the submission by New South Wales?

**Mr JOSEPH TRIPODI:** The New South Wales Government is committed to achieving a nationally consistent approach to workplace safety. To this end we welcome the Commonwealth national review into model occupational health and safety laws that is currently underway. The advisory panel conducting the national review released its issues paper in May 2008. The New South Wales Government provided comment on the issues paper, which included a copy of the report on the independent inquiry into the New South Wales Occupational Health and Safety Act 2000 by the Hon. Paul Stein. Changes to the laws introduced by the Government in 2001 have led directly, according to the best economic modelling available, to a vastly improved record on workplace health and safety performance. The commitment of the New South Wales Government to

work with the Commonwealth and other jurisdictions to harmonise workplace safety laws has been proven time and time again. At the Council of Australian Governments' meeting—

**Dr JOHN KAYE:** If I can interrupt you, because you have now actually answered my question, as much as you were going to. You said you included the Stein report?

**Mr JOSEPH TRIPODI:** Yes.

**Dr JOHN KAYE:** What else was included apart from the Stein report? What other documentation? Was there a full set of responses or was it just the Stein report?

**Mr JOSEPH TRIPODI:** I will let Mr Blackwell answer.

**Mr BLACKWELL:** There was a short covering submission that indicated that the New South Wales Government did not want to see a drop in the overall occupational health and safety standards as a result of the national review.

**Dr JOHN KAYE:** Is that all that covering document included?

**Mr BLACKWELL:** Yes.

**Dr JOHN KAYE:** So what we submitted was the Stein report plus the covering note saying that we did not want to see a drop and that was it? That was our sole submission?

**Mr BLACKWELL:** Essentially, yes.

**Dr JOHN KAYE:** Essentially or was that it? I mean either it is or it is not. This is a binary thing?

**Mr BLACKWELL:** There was some history of the development of occupational health and safety legislation in New South Wales, there was a clear statement that the Government did not want to see a reduction in workplace safety standards, and a copy of the Stein report was included for the panel's information.

**Dr JOHN KAYE:** So was it made clear that the Stein report was there purely for the panel's information or was the New South Wales Government effectively endorsing the Stein report?

**Mr BLACKWELL:** It was made clear that the Stein report was there for the information of the panel to assist in their deliberations, if you like. The Government has never committed itself to the outcomes of the Stein review.

**Dr JOHN KAYE:** So that means that New South Wales made no submission in respect of reverse burden of proof to the inquiry?

**Mr BLACKWELL:** That is correct.

**Dr JOHN KAYE:** So we have remained silent on the issue of reverse burden of proof?

**Mr BLACKWELL:** Again the Government's position has been very much that they do not want to see a reduction in the standards of safety in Australia.

**Dr JOHN KAYE:** Minister, does that mean that we do not want to give up on reverse burden of proof?

**Mr JOSEPH TRIPODI:** That has been a matter that has been the subject of Cabinet deliberations and until the Government finalises its view I would rather not state what the Government's position is.

**Dr JOHN KAYE:** So at this stage the Government's position is, as far as the rest of the world is concerned, that we have no position on reverse burden of proof?

**Mr JOSEPH TRIPODI:** At the moment the Government supports what is contained in its current legislation and that is the Government's policy.

**Dr JOHN KAYE:** Which is reverse burden of proof?

**Mr JOSEPH TRIPODI:** That is correct.

**Dr JOHN KAYE:** But the Government was not prepared to say that to the Commonwealth inquiry?

**Mr JOSEPH TRIPODI:** Well you know what is in the submission—apparently it is on the Government website. As Chief Executive Blackwell has stated, that was a submission for information and not necessarily to express a point of view.

**Dr JOHN KAYE:** Fascinating. What about on the issue of absolute duty of care? Does New South Wales have a position on that: the absolute duty of employers to provide health and safety at work?

**Mr JOSEPH TRIPODI:** That is currently the New South Wales law so that is currently the New South Wales Government policy.

**Dr JOHN KAYE:** But we made no submission to the Commonwealth inquiry on either of those matters. So it would be fair to say that while it is the position so far as the law is concerned, you would not call it exactly a heartfelt position?

**Mr JOSEPH TRIPODI:** As I said, this has been the subject of Cabinet deliberation for a while. There has been no final review in that position, therefore I would assert that the New South Wales Government's policy position is what is reflected in the current legislation.

**Dr JOHN KAYE:** Is that a watch this space?

**Mr JOSEPH TRIPODI:** Like every policy, of course, it evolves and changes over time. As I said, it has been the subject of Cabinet deliberation and as the law stands at the moment that reflects the Government's policy at the moment.

**Dr JOHN KAYE:** But not enough to make—we are going around in circles—it a submission.

**Mr JOSEPH TRIPODI:** That is right.

**Dr JOHN KAYE:** Can we change topics slightly again and talk about the 20,000 people who held certificates of competency that were issued by a number of corrupt WorkCover accredited certificate of competency assessors. Can you tell us where that retesting program—I understand that those 20,000 were to be retested—is up to? Has it concluded yet?

**Mr JOSEPH TRIPODI:** In view of the national occupational health and safety certification standard for users and operators of industrial equipment conducted by the Australian Safety and Compensation Council in 2004, submissions from stakeholders expressed a number of concerns regarding the delivery of training and assessment, the term of the licence, and the identity of the licence holder. Stakeholders were of the view that a lifetime licence did not provide sufficient confidence in the licence holders competency and that the non-photo licence did not clearly identify the licence holder. The Australian Safety and Compensation Council issued a discussion paper, including a regulatory impact statement, for public comment and held a number of forums throughout Australia to discuss the issues. To address the concerns raised, a number of recommendations were made. These included that a licence should be renewed every five years and include a photograph of the holder—

**Dr JOHN KAYE:** If I may interrupt, I think we may be talking at cross-purposes. I am talking about the 2004 Independent Commission Against Corruption investigation in New South Wales that addressed corruption in safety certification training in the New South Wales construction industry. I was talking about a slightly different thing to what you are talking about. Mr Blackwell might be able to help us here. Am I correct in saying that in 2004 there was an Independent Commission Against Corruption investigation into corruption in safety certification and training in the New South Wales construction industry? Is that correct Mr Blackwell?

**Mr BLACKWELL:** I am unclear as to whether you are talking about construction induction or certificates of competency?

**Dr JOHN KAYE:** Certificates of competency. As I said in my introduction to this question, 20,000 people held certificates of competency that were issued by WorkCover accredited certificate of competency assessors who were found to be corrupt. Am I correct in saying that there is a retesting program?

**Mr BLACKWELL:** There is a retesting program. In relation to the Independent Commission Against Corruption inquiry, a number of certificates were cancelled where there could be shown a direct line to some of those testers.

**Dr JOHN KAYE:** How many were cancelled?

**Mr BLACKWELL:** I could not tell you. I can certainly provide that information.

**Dr JOHN KAYE:** Briefly, on notice, can you tell us how many were cancelled? How many of these cancellations were because WorkCover could not contact the certificate holders? How much will the retesting program contract with TAFE cost WorkCover?

**Mr BLACKWELL:** I would have to take those on notice.

**Dr JOHN KAYE:** Yes.

**Mr BLACKWELL:** I can tell you that the 20,000 people concerned have all been retested.

**Dr JOHN KAYE:** You found all 20,000 of them?

**Mr BLACKWELL:** They have been dealt with. Either they have had their licence cancelled or they have been retested.

**Dr JOHN KAYE:** So you were able to find all 20,000 of them?

**Mr BLACKWELL:** I believe so.

**Dr JOHN KAYE:** And test every single one of them?

**Mr BLACKWELL:** They have been dealt with. If we have not been able to find them, clearly we have not been able to retest them.

**Dr JOHN KAYE:** I am confused.

**Mr BLACKWELL:** In those circumstances their licences were cancelled.

**Dr JOHN KAYE:** If you could not find them you cancelled their licences?

**Mr BLACKWELL:** Yes.

**Dr JOHN KAYE:** I am eating into the Government's valuable time. Could you tell us how many people were found and retested and how many were not found?

**Mr BLACKWELL:** I would be happy to take that on notice.

**CHAIR:** Could you outline the current financial position of WorkCover in regard to its surplus? As it is dependent on investments, what possible effect will the current economic crisis have on the WorkCover surplus?

**Mr JOSEPH TRIPODI:** On 26 September I announced that the New South Wales Workers Compensation Scheme had weathered the storm—this was at 26 September—of the recent global upheaval, thanks to prudent financial management, a record low incidence of working injuries and improvements in claim management. While the June 2008 scheme valuation results were good, recent turmoil in global financial markets has had an impact on the investment returns and the overall surplus now stands at \$625 million. The WorkCover scheme remains fully funded, despite difficult economic circumstances. This result would have been much worse if not for the asset allocation strategy applied to the Workers Compensation Insurance Fund.

Reducing portfolio growth assets and increasing allocation to defensive assets, such as, government securities, has significantly reduced the impact of falling share market values on the WorkCover scheme. The Workers Compensation Insurance Fund returns for 2007-08 were significantly better than the industry average. The overall result reduces the scheme's funding position to 105 per cent. It is expected that recent economic conditions, particularly uncertain international financial markets, will continue to impact Australian investment funds, including the WorkCover scheme. Sustained safety improvements in sound financial management have allowed the Government to reduce workers compensation premium rates by an average of 30 per cent since November 2005. That is a saving of around \$785 million per year for New South Wales employers. According to the latest figures available, the incidence of major workplace injuries fell by 9 per cent to 10 injuries per 1,000 employees. A total of 29,326 workplace injuries were reported—a reduction of 7 per cent from the preceding year. In the six months to June 2008 almost \$800 million in payments were made in compensation for injured workers.

**CHAIR:** Will that 30 per cent reduction be under any threat or need to be reviewed in the current economic situation?

**Mr JOSEPH TRIPODI:** Obviously it is very difficult to forecast what is going to happen in terms of the returns from the fund. But there is no plan at this stage to review the premiums and what they cost employers.

**CHAIR:** I note in the budget papers that you provide a \$500 rebate for small businesses to install safety equipment. How many businesses have applied for that rebate and how successful is that program?

**Mr JOSEPH TRIPODI:** I will try to secure that answer before the end of today's session.

**CHAIR:** You have employed a number of additional business advisory officers. How many are there altogether and how many additional officers were employed?

**Mr JOSEPH TRIPODI:** WorkCover has continued to develop and deliver a range of initiatives to help the State's small- to medium-sized businesses make their workplaces safer and meet their workers compensation obligations. As part of its focus on providing advice and assistance, WorkCover introduced a three-year \$12.5 million program in 2007 to assist small- to medium-sized businesses across the State and deliver initiatives where they are most needed. During this period WorkCover will conduct 1,500 free workshops on topics such as workplace safety, workers compensation, injury management, as well as industry-specific issues. Small businesses can now request a visit from a business advisory officer who will provide practical advice and information, education and assistance to help prevent workplace injuries. As part of the program's \$5 million financial incentive, small businesses that attend the WorkCover workshop or receive an advisory visit will be eligible for a \$500 rebate on safety modifications or the installation of safety equipment.

WorkCover also has two fully equipped safety buses staffed by trained business advisory officers to deliver education and advisory services to rural and regional businesses across New South Wales. A small business consultative framework, including 10 regional small business advisory groups, is also up and running. WorkCover's mentor program has been expanded in 2008 to include the retail, consumer services and agricultural industries and will continue to build on its work with the construction and manufacturing industries. WorkCover has also developed an industry-specific web site and online self-assessment tool to provide small businesses with information 24 hours a day, 7 days a week.

**CHAIR:** I understand during 2008-09 1,500 free workshops and seminars have been held across New South Wales. What is the approximate number of persons who have attended the course?

**Mr BLACKWELL:** That can vary quite a lot. It can be between, say, a dozen and 30 or 40.

**CHAIR:** What is the total number?

**Mr BLACKWELL:** I would have to get that.

**CHAIR:** Do you have an idea—1,000, 1,500, 2,000?

**Mr BLACKWELL:** Some 452 workshops were held across metropolitan, regional and rural New South Wales and they were attended by approximately 7,000 employees and businesses.

**CHAIR:** I now turn to the Motor Accidents Authority's responsibility for managing the HIH payments to claimants and service providers. Would you give us an update on the current situation?

**Mr BOWEN:** The Motor Accidents Authority as the nominal defendant is responsible for making the claim payments to claims against policyholders of FIA and CIC, both HIH companies. At this stage around \$430 million has been paid. We have an estimated further \$50 million to pay on about 50 to 60 open claims.

**CHAIR:** The \$50 million will complete the project?

**Mr BOWEN:** That is current. That is roughly the current actuarial estimate.

**CHAIR:** Another area is the income you have received from a levy on the CTP insurance premiums. This is set currently at 10 per cent, consistent with the prior year. Are there any plans to change that or is that providing sufficient income for the operation of the authority?

**Mr BOWEN:** That is providing sufficient income. We have budgeted for a small deficit in the current financial year, but we are unlikely to realise that. The levy is set in February of each year. So it requires an estimate of what the premium income will be or the premium collection in the financial year ahead. So it is a little bit of a blunt instrument. Certainly it will be around 10 per cent. If we have retained equity that is too high, we may be in a position to decrease it slightly.

**The Hon. KAYEE GRIFFIN:** In relation to the question about the Motor Accidents Authority and the Lifetime Care and Support Authority, what is happening with working to improve the service delivery to and the injury management of those people who have been severely injured in road accidents?

**Mr JOSEPH TRIPODI:** Obviously the Rees Government and the Labor Government is very proud of this program; it plays a very important role in the lives of people who have been critically injured. Today I am pleased to announce grants totalling \$428,000 to support service development and research programs to assist people seriously injured in motor vehicle accidents. The grants are provided by the New South Wales Lifetime Care and Support Authority and will be shared by six organisations with specialist skills and expertise in dealing with serious injury. An integral function of the new Lifetime Care and Support Scheme is a commitment to effective injury management and rehabilitation.

The grant funds will be put towards developing programs to assist families dealing with the impacts of traumatic injury, researching the effectiveness of different rehabilitation methods and also providing health professionals with a training manual for dealing with outcomes from traumatic brain injury. People who suffer serious brain or spinal injury in road accidents often find themselves isolated from their community and this can become a problem for both the injured person and their family. One of the priorities of this grants program is the development of services to improve community participation of people seriously injured in motor vehicle accidents through vocational or behavioural support programs, particularly in regional areas.

Another priority of these grants is to undertake research that will provide quality evidence where evidence is currently lacking, to assist clinical decision-making on the effectiveness of practices in providing treatment, rehabilitation and care for people with serious brain and spinal injuries. The programs and research that will be undertaken as a result of these grants will have practical outcomes that directly assist the seriously injured by improving best practice in the areas of diagnosis, treatment and care. The work of the Lifetime Care and Support Authority and this grants program is a clear demonstration of the Government's commitment to supporting people seriously injured on our roads.

**The Hon. PENNY SHARPE:** Minister, could you inform the Committee how the Motor Accidents Authority is assisting New South Wales motorists to get the best deal on their Green Slip purchases?

**Mr JOSEPH TRIPODI:** It is a competitive Green Slip market in New South Wales with seven insurers offering Green Slips. Insurers weigh up a combination of factors in determining motorists' risk profiles. These can include the age of the motorist, vehicle type and age, and the motorist's driving record and accident history. Discounts or loadings for each vehicle class may be within a range of 15 per cent below an insurer's

base rate premium to approximately 60 per cent above their base rate premium. For motorists aged 55 and over insurers can apply an extended discount of up to 25 per cent.

The majority of motorists do qualify for a best Green Slip price from one of the insurers, so it certainly can pay to compare prices. The Motor Accidents Authority offers motorists both online and telephone services to compare the prices on offer from each of the seven Green Slip insurers. These services cover privately registered passenger cars, light goods vehicles, such as vans and utes, and motorbikes. Both services offer a one-stop shop to quickly find the cheapest Green Slip available for a motorist's vehicle and risk profile. There is an online Green Slip calculator at [www.greenslips.nsw.gov.au](http://www.greenslips.nsw.gov.au) and on the Green Slip telephone helpline on 1300 137 600, which can be accessed for the cost of a local call. Both online and telephone services are available 24 hours a day every day of the year.

The authority's price comparison services are advertised in flyers that are sent out to all motorists with their registration renewal notices. Around 1.1 million price checks were made using the services in 2007-08. That is a 16 per cent increase on the previous year. I note that the *Daily Telegraph* reported on 25 September that "a recent *Choice* study found that drivers can save up to 50 per cent on their CTP premium by shopping around". So the important message for motorists is to compare all the prices on offer from the various insurers. The Motor Accident Authority's online and telephone services make this quick and easy.

**The Hon. IAN WEST:** Can the Minister inform the Committee about the recent entries in the WorkCover Safe Work Awards?

**Mr JOSEPH TRIPODI:** The WorkCover Safe Work Awards are designed to recognise businesses and individuals who demonstrate a high level of commitment to health and safety and adopt an innovative approach to creating a safer workplace. In addition, the awards create an opportunity to share information and innovative ideas with others—an important element to improve health and safety in all New South Wales workplaces. In 2008 the number of entries increased to 121 and the standard has remained extremely high.

The judging panel for the awards, consisting of senior representatives of WorkCover NSW, trade unions, employer groups and specialist occupational health and safety advisory bodies, have had the tough job of assessing the quality entries. Thirty-two finalists have been chosen across five award categories. Some of these categories are open to all New South Wales business organisations and individuals; others specifically recognise innovation in small business and those New South Wales employees who have made outstanding contributions to the improvement of health and safety in their workplaces.

The categories are best workplace health and safety management system; best solution to an identified workplace health and safety issue; best workplace health and safety practices in a small business; public sector leadership award for injury prevention and management; and best individual contribution to workplace health and safety. The chosen finalists highlight the innovative approaches taken to workplace safety by the entrants. Entries selected as finalists include a mechanical arm that lifts workers to safety from gas pits in an emergency, a revolutionary fall protection system that dispenses with harnesses, and a lookout safety program for young workers on construction sites.

Winners of the WorkCover NSW Safe Work Awards 2008 will be announced at the awards ceremony at the Acer Arena Grand Ballroom, Sydney Olympic Park, on Wednesday 29 October. Finalists receive a number of benefits including recognition as a leader in workplace safety within their industry; an opportunity for the businesses to showcase innovations in workplace health and safety; promotion in the awards booklet and on the WorkCover NSW website; use of the prestigious WorkCover Safe Work Awards finalist logos for business promotion; and two free tickets to the awards dinner and overnight accommodation including breakfast. In addition, winners will receive automatic entry in the National Safe Work Australia Awards.

The 2008 finalists in the WorkCover Safe Work Awards showcase a diverse range of safety initiatives in workplaces all around the State, and the individuals and businesses who devised them deserve recognition. The State Government appreciates the contribution these individuals and businesses have made to the continued improvement in occupational health and safety in New South Wales.

**The Hon. KAYEE GRIFFIN:** Minister, given the current property market conditions, how has the Government managed its office property portfolio to avoid excessive vacancy rates and the associated costs?

**Mr JOSEPH TRIPODI:** New South Wales government agencies currently occupy approximately 270,000 square metres of leased and owned office space in the Sydney CBD. Currently, only 0.001 per cent, or 200 square metres, of this total CBD government office space is vacant. This compares with the Sydney CBD office market vacancy rate of 4.3 per cent and demonstrates that the Government, through the State Property Authority, is very effectively managing its office vacancies to minimise rental costs. The establishment of the State Property Authority in September 2006 and the release of the Premier's Memorandum 2008-06 outlining the Government's property policy framework, laid the foundation for the Government to better manage and realise efficiencies in the use of its office property portfolio.

The property policy framework includes a raft of key initiatives, including the requirement for government agencies to immediately advise the authority of any vacant, underutilised or no longer required office space. In addition, general government sector agencies seeking to approach the market to acquire office accommodation, either by lease or ownership, must do so through the State Property Authority. Should agencies require additional or alternative office space, the authority is able to assist them by readily identifying any available government-owned or leased space that meets its service delivery requirements. Through backfilling vacated office space, the Authority can pursue opportunities to provide agencies requiring space with a suitable cost-effective alternative while reducing vacancies.

Under Premier's Memorandum 2008-06, the State Property Authority is also mandated to assist agencies in the review of their property holdings to determine if they adequately support the agencies' service delivery needs. The progressive vesting of government-leased office accommodation in the Authority throughout 2008-09 will allow the Authority to examine the effective utilisation of the Government's office accommodation portfolio and associated risks. It will apply its specialist property skills to assist agencies to select the most appropriate assets for their business.

The Government has been actively managing its office space for some years now, and as a result the average space occupied by each public sector employee has reduced from over 24 square metres in 1995 to approximately 16 square metres in 2007. This decrease equates to reduced rental expenditure in today's dollars of approximately \$140 million each year. The State Property Authority will continue to manage the Government's owned and leased office accommodation with a focus on service delivery and best practice asset management principles.

**The Hon. PENNY SHARPE:** Minister, will you inform the Committee about the status of the Better Regulation Office's annual report and how the Government is progressing implementation of the Independent Pricing and Regulatory Tribunal red tape review?

**The Hon. MATTHEW MASON-COX:** Would you like to take that question on notice?

**Mr JOSEPH TRIPODI:** No, it is fine.

**Dr JOHN KAYE:** Your voice is getting tired. Perhaps you should take the question on notice.

**Mr JOSEPH TRIPODI:** The Hon. Matthew Mason-Cox and Dr Kaye should learn about this. The Better Regulation Office is finalising its annual report for the 2007-08 financial year with a view to its being published in late October 2008. The annual report will provide a stocktake of progress and achievements in cutting red tape across the New South Wales government sector from 1 July 2007 to 31 June 2008. In doing so, it will provide a series of short case studies of a number of individual reforms, including the outcomes of the Better Regulation Office's targeted review of the regulation of shop trading hours, the Government's significant package of reforms to liquor licensing laws and its extensive package of red tape reforms of the State's planning system. These case studies, among others, will not only serve to illustrate some of the Government's achievements but will also demonstrate the benefits of reducing red tape for business and the community.

The report will also outline the activities of the Better Regulation Office over its first full year of operation, including the release of the Guide to Better Regulation setting out best practice processes for regulation making, the introduction of the new gatekeeping arrangements—which ensure that the new processes are being implemented across government—and the Office's activities in providing support and guidance to agencies to assist them to apply best practice. With these arrangements now in place, the New South Wales Government is more accountable than ever before. Reducing red tape is now core business for every agency.

In response to the second part of the question, the next progress report on the Government's implementation of the Independent Pricing and Regulatory Tribunal review of red tape in New South Wales will also be available in late October. In October 2006, IPART made 74 recommendations for red tape reforms in New South Wales, 16 of which related to regulation-making processes, and 58 of which proposed specific reforms in a number of regulatory areas across government. In its first six-monthly progress report, the Government reported that 23 of the 74 recommendations had been completed, with 43 on track to be delivered and eight under ongoing investigation.

Significant reforms that have been achieved over the past six months include: the simplification of shop trading hours; streamlined arrangements for government procurement of consultancy services; more consistent requirements between States for workers' compensation insurance; and the release of tools to assist government agencies to measure the cost of regulatory proposals and improve the targeting of compliance actions. The Government is committed to continuing to provide regular public reports on its progress in cutting red tape in New South Wales.

**The Hon. IAN WEST:** Can the Minister inform the committee about the achievements of the Council of Australian Government's Business Regulation and Competition Working Group?

**The Hon. MATTHEW MASON-COX:** You can take that question on notice and we will ask some real questions.

**Mr JOSEPH TRIPODI:** The COAG reforms are very important. The New South Wales Government is working with the Commonwealth and other States and Territories through the Council of Australian Governments to deliver a seamless national economy and to resolve the red tape issues that arise when doing business across State borders. New South Wales has high-level representation on the COAG Business Regulation and Competition Working Group, which has developed an extensive and broad-ranging agenda for cross-jurisdictional reform. The working group has identified 27 priority reform areas that will deliver significant benefits to the New South Wales and broader economies, including through improved labour mobility, reduced red tape, and lower costs of doing business, both within and across State borders.

I will highlight some of the key reforms being progressed through the working group. The harmonisation of occupational health and safety laws is a top priority. The working group has worked hard to bring the timetable for national uniformity of occupational health and safety laws forward to 2011. New South Wales has also led the way in the harmonisation of payroll tax laws and administration with other States. Working with Victoria, we are the first two States to do this, and COAG has now taken our lead and agreed to across-the-board harmonisation of payroll tax administration from July this year. COAG has also agreed to develop a national system for the recognition of trade licences. The system will make it easier for New South Wales businesses to employ tradespeople from anywhere in Australia and easier for New South Wales based tradespeople to access work in other States when the opportunity arises. COAG will agree on the new approach in December this year.

New South Wales businesses will benefit from COAG's agreement to develop a new one-stop online shop to enable business owners to apply for and renew their business name and ABN in one step. The new system will be online by early 2011. Financial reporting requirements on businesses will be radically streamlined by the Standard Business Reporting Program agreed by COAG in July. The program will save business about \$800 million each year. COAG has agreed to pursue the development of a national construction code incorporating all building, plumbing, electrical and telecommunications standards across Australia. The working group is now developing options for a plan to implement such a code.

These are just some of the areas targeted for national-level reform under the working group's extensive agenda. The working group is also developing specific proposals for red tape reform of the regulation of chemicals and plastics, more consistent enforcement of food regulations, and streamlined environmental approvals processes. In some cases, all jurisdictions have agreed that the Commonwealth should take responsibility for some duplicative and overlapping areas of regulation. Together, these represent a significant package of red tape reforms. The New South Wales Government is committed to continuing to work with the Commonwealth and other States and Territories to ensure an effective regulatory environment that keeps costs down and ensures that New South Wales remains a vibrant and competitive economy.

**The Hon. MATTHEW MASON-COX:** I refer again to superannuation. We will see how the Minister goes with this one. If the Government were to use the same discount rate as every other State and the Federal

Government as required by the current Australian Accounting Standards, can the Minister confirm that it would need to significantly increase contributions—potentially by hundreds of millions of dollars—to meet the 2030 commitment set out in the budget papers?

**Mr JOSEPH TRIPODI:** Once again, I would need a crystal ball to answer a question about what will happen between now and 2030 with the performance of the portfolio. I cannot say whether we will need higher contributions.

**The Hon. MATTHEW MASON-COX:** Given the equity losses of about 42 per cent, is it not time we had a look at that in the mini-budget?

**Mr JOSEPH TRIPODI:** As the Premier has repeatedly said on the issue of the mini-budget, nothing has been ruled in or out, other than the decision to proceed with the Government's cuts to payroll tax.

**The Hon. MATTHEW MASON-COX:** In 2006-07, the State's electricity generators incurred \$3.7 billion in hedging losses. As the shareholder Minister, have you reviewed the hedging position of the State's generators? Can you tell the Committee whether these multi-billion hedging losses were repeated in the past 12 months?

**Mr JOSEPH TRIPODI:** I find that question hypocritical.

**Dr JOHN KAYE:** You are responsible.

**Mr JOSEPH TRIPODI:** I am about to answer. That is one of the reasons that the Government pushed ahead with its electricity reform agenda. It was designed to reduce the Government's exposure to the some of the trading and risk issues associated with owning generators. For you now to raise the issue of the Government's still having this risk exposure and trying to suggest some degree of financial responsibility is simply hypocritical.

**The Hon. MATTHEW MASON-COX:** No, I am asking you a very simple question, Minister. Have you reviewed the electricity hedging position of the State generators, and can you tell us whether these multibillion-dollar hedging losses were repeated in the past 12 months? It is a very simple question.

**Mr JOSEPH TRIPODI:** The advice I have received is there has been no review of the hedging policies.

**The Hon. MATTHEW MASON-COX:** No review?

**Mr JOSEPH TRIPODI:** No.

**The Hon. MATTHEW MASON-COX:** Can you enlighten me as to how often the New South Wales Cabinet reviews these hedging positions for these electricity assets in the normal course of events?

**Mr JOSEPH TRIPODI:** As I understand it, these kinds of hedging policies are determined by the boards of the generator companies. They are bread and butter issues for those boards and their management team. It is not something that is reviewed by Cabinet.

**The Hon. MATTHEW MASON-COX:** At all?

**Mr JOSEPH TRIPODI:** No.

**The Hon. MATTHEW MASON-COX:** Do you ask any questions in Cabinet as to whether or not there are any appropriate risk management practices in place in that regard?

**Mr JOSEPH TRIPODI:** The best risk management practice that the New South Wales Government tried to implement was a sale of the generators. You cannot beat better risk management practice than that. That was rejected by the Opposition in the upper House and, as a consequence—

**The Hon. MATTHEW MASON-COX:** By your own party.

**Mr JOSEPH TRIPODI:** Well, the overwhelming majority of our party supported it.

**The Hon. MATTHEW MASON-COX:** Let us not mislead the Committee.

**Mr JOSEPH TRIPODI:** No, I am not misleading anybody. Everyone knows what the facts are. Michael Gallacher got up and said he was opposing it.

**CHAIR:** The Minister will answer the question.

**Mr JOSEPH TRIPODI:** The best risk management strategy you can have is not to own the assets at all. The Government tried to improve that strategy and it was rejected by the Opposition and has caused these financial challenges that we are confronting. That is the best risk management strategy. It has come to the attention of Cabinet and Cabinet tried to do the right thing.

**The Hon. GREG PEARCE:** Ms Skewes, has Mr Tripodi or anyone from his office or on his behalf sought from you or the Property Authority any information about future property sales or specific properties?

**Ms SKEWES:** No.

**The Hon. GREG PEARCE:** So, you make sure that that information does not go to Mr Tripodi?

**Ms SKEWES:** Mr Tripodi's office has not sought any information to that effect from me.

**The Hon. GREG PEARCE:** If he does, will he be given that information?

**Ms SKEWES:** Most details of government sales, as I said before, get referred through to the government asset management committee. The government asset management committee receives proposals from government agencies about surplus government assets. That is the forum where those matters get heard.

**The Hon. GREG PEARCE:** My question, though, is whether you or your authority would provide specific details of future property disposals or specific accommodation requirements to Mr Tripodi or his office?

**Ms SKEWES:** If Mr Tripodi's office requests it, Mr Tripodi is the Minister responsible for the agency and certainly there is an expectation that the Minister would be across the broad activities of the agency.

**The Hon. GREG PEARCE:** I am talking about the specific future sales or specific accommodation requirements.

**Ms SKEWES:** Accommodation requirements? They are quite different matters.

**The Hon. GREG PEARCE:** Exactly right. So, would you provide that specific information to Mr Tripodi or his office, or would you not?

**Ms SKEWES:** It is general information that is available. If the Minister's office was after that information, it would be provided to them.

**The Hon. GREG PEARCE:** I am talking about not general information but future property disposal details or future accommodation requirements, specific ones, which are not out in the public arena. Would you provide those to Mr Tripodi's office?

**Ms SKEWES:** Well, on the sales program, those matters, if it is State-owned property that is being disposed of, it is the normal course in the reporting requirements of the agency to advise the Minister of what sales the agency is undertaking on its own behalf. In respect of the interests of government agencies when they are in the market looking for office accommodation, that is not necessarily activities, it is a service we provide to those agencies. It is a matter for those agencies what they provide. We only act as a service provider to those agencies. So at any one time—

**The Hon. GREG PEARCE:** Yes or no, would you provide that specific information to Mr Tripodi?

**Ms SKEWES:** In respect of the latter, I would not have that detail to provide. In respect of the former, in respect of surplus government sites that the Property Authority was selling in the normal course of business, they should progressively advise the Minister, yes.

**The Hon. GREG PEARCE:** Mr Tripodi, would you give the Committee an undertaking that if you receive any such specific advice, you will not disclose it to any associate, friend or relative?

**Mr JOSEPH TRIPODI:** I will act to the absolute highest standard expected of any Minister in this Government and any other government in the country. I will be acting by that standard and the highest probity expectations of the community.

**The Hon. GREG PEARCE:** I thought that probably would be the answer.

**Mr JOSEPH TRIPODI:** What do you mean by that?

**The Hon. GREG PEARCE:** When was your last communication with Mr Joe Scimone?

**Mr JOSEPH TRIPODI:** I have answered that question already.

**The Hon. GREG PEARCE:** Well, you have not.

**Mr JOSEPH TRIPODI:** That is outside the ambit and scope of this inquiry, this estimates hearing.

**The Hon. GREG PEARCE:** It is not.

**Mr JOSEPH TRIPODI:** Yes, it is.

**The Hon. GREG PEARCE:** The next question I was going to ask you is whether any of the authorities or agencies under your various ministries would have received any application for employment from Mr Scimone and, if they did, how they would deal with the application, given his conflict of interest that exists with you?

**Mr JOSEPH TRIPODI:** Well, first of all, to the best of my knowledge he has not applied to anyone. The only thing I would know is by reading the newspapers. Secondly, I would expect that every agency would act in accordance with the procedures and rules that are required of it.

**The Hon. GREG PEARCE:** Are you still in communication with him or not?

**Mr JOSEPH TRIPODI:** I have not spoken to Mr Scimone, and I answered this question at a previous hearing this morning.

**The Hon. GREG PEARCE:** I was not there.

**Mr JOSEPH TRIPODI:** I have not been in contact with Mr Scimone since that issue blew up. I have not spoken to him.

**The Hon. GREG PEARCE:** In your capacity as infrastructure Minister, what action have you taken to review the State Infrastructure Strategy?

**Mr JOSEPH TRIPODI:** That is part of the mini-budget process and it is under active consideration at the moment. As far as I know, there has been no decision made.

**The Hon. GREG PEARCE:** What is your role in that review, though?

**Mr JOSEPH TRIPODI:** I am a member of the Budget Committee and the Expenditure Review Committee. So, that would be part of their deliberation. And also a member of Cabinet, and it would go to Cabinet also.

**The Hon. GREG PEARCE:** So, as Minister for Infrastructure you do not have any specific role in reviewing it?

**Mr JOSEPH TRIPODI:** Not a specific role other than my active membership in those committees.

**The Hon. GREG PEARCE:** So, who is driving that review?

**Mr JOSEPH TRIPODI:** It is primarily the responsibility of the Treasurer but obviously it is something that would be considered by the Budget Committee of Cabinet and also Cabinet.

**The Hon. GREG PEARCE:** I am trying to get to the officer is who is responsible for that work. Perhaps Mr Ronsisvalle might know who is running it?

**Mr RONISISVALLE:** I think the Minister has answered that.

**The Hon. GREG PEARCE:** No, someone must be responsible for running the required—

**Mr RONISISVALLE:** I think the Minister has said that the Treasurer has responsibility for the mini-budget and as part of that the State's capital program is being reviewed.

**The Hon. GREG PEARCE:** Who is responsible for the review in your department? I assume the Treasurer is not personally going through all the State infrastructure plan himself with all of the costings of the project?

**Mr JOSEPH TRIPODI:** Do you mean agency or Minister?

**The Hon. GREG PEARCE:** No, within Treasury. We have identified the Treasurer is driving it. Now I am trying to find out in Treasury who is responsible for running the process?

**Mr SCHUR:** I am coordinating the process but there are any number of individuals involved in assessing the capital programs of the agencies that they look after within Treasury. Obviously within every agency they are doing the same to reassess their capital program in the context of the mini-budget. So, there is no one individual who is running a process that is being coordinated by Treasury. There are several dozen people involved within Treasury and obviously every agency has people responsible for the capital program doing likewise.

**The Hon. GREG PEARCE:** So, no-one has a handle on the whole process, is that what you are saying?

**Mr SCHUR:** No. I have a handle on where we are in relation to what has been proposed.

**The Hon. GREG PEARCE:** Where are we in relation to what is proposed?

**Mr SCHUR:** Nothing has been decided by the Government. These are in the form of proposals and none of them has been considered yet, and I am not in a position to convey that information.

**The Hon. GREG PEARCE:** In relation to the review of the State Infrastructure Strategy and its relationship with the Sydney Metropolitan Strategy and the various regional strategies, is that part of the review? In particular, I am concerned about the latest Australian Bureau of Statistics figures that showed very significant future growth in New South Wales, which was not anticipated at the time of the strategy.

**Mr SCHUR:** We obviously have to be mindful of that in reviewing specific projects, and any proposals that are made would have to give regard to those issues and those new findings, and we would provide that advice to the Government in due course.

**The Hon. GREG PEARCE:** When do you think the advice on the state of the strategy might be provided to the Government, given that the mini-budget is due in four weeks? When do you expect to be in a position to provide that advice?

**Mr SCHUR:** I guess there will be an announcement on the day that the mini-budget is released. Leading up to that process there will be a series of proposals put to the Budget Committee of Cabinet and to Cabinet and the Government will make some decisions on the specific proposals that are being put forward.

**The Hon. GREG PEARCE:** So Mr Tripodi, as the responsible Minister are you satisfied that you have been left out of this process and there is no indication of when you are going to be consulted, how you are going to be consulted or how the decision is going to be made?

**Mr JOSEPH TRIPODI:** I am very confident about the process and I think it is the appropriate process because there should be a range of Ministers involved, including the Premier, in the determination of these issues.

**The Hon. GREG PEARCE:** But not you as the Minister for Infrastructure, and Minister for Finance?

**Mr JOSEPH TRIPODI:** I am one of the Ministers involved.

**The Hon. GREG PEARCE:** But you do not have any role at this stage?

**Mr JOSEPH TRIPODI:** As I had said to you, as a member of the Expenditure Review Committee [ERC], as a member of the Budget Committee and as a member of Cabinet, I have a direct involvement.

**The Hon. GREG PEARCE:** So when will you actually be consulted on the changes to the State Infrastructure Strategy?

**Mr JOSEPH TRIPODI:** We are all being consulted as we go through and the mini-budget, as the Deputy Secretary has said, there has been no decision made with respect to the individual components of what is being prepared but there has been substantial work done in the preparation of that work.

**The Hon. GREG PEARCE:** You have just said that you have been consulted, so I assume that you would have been consulted in relation to the north-west metro project. Have you been consulted in relation to that project?

**Mr JOSEPH TRIPODI:** All of the infrastructure projects are part of the mix. As you would be aware, as it is very clear in Budget Paper No. 2, if the privatisation of electricity did not proceed, a reprioritisation of the capital works program would be necessary. That process is currently ongoing.

**The Hon. GREG PEARCE:** You said you are being consulted. Have you been consulted in relation to the north-west metro project, given that it is the largest component of the entire strategy?

**Mr JOSEPH TRIPODI:** At the Budget Committee and at the ERC, to the best of my recollection there have not been deliberations on that specific issue yet in terms of formulating a decision on that.

**The Hon. GREG PEARCE:** You are the Minister for Finance, and Minister for Infrastructure and you have not been consulted and there has not been any discussion about the project at this stage?

**Mr JOSEPH TRIPODI:** I am very familiar with the issues and I have been briefed on it. As I said, it is a collective decision made at ERC, Budget Committee and Cabinet. That is the way it should be and I am very confident about that process.

**The Hon. GREG PEARCE:** Who briefed you in relation to the north-west metro?

**Mr JOSEPH TRIPODI:** Mr Schur and Mr Ronsisvalle.

**The Hon. GREG PEARCE:** What was the nature of their briefing? Was it simply a factual briefing?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. GREG PEARCE:** Or was it a view on the necessity of the project? What was the nature of the briefing?

**Mr JOSEPH TRIPODI:** It was about the impact of the capital program profile on the budget envelope. Obviously it is something that is very clear from Budget Paper No. 2 that all the capital programs need to be reprioritised as a consequence of the failure of the Opposition to support the privatisation of electricity.

**The Hon. GREG PEARCE:** All of the capital programs have to be reprioritised, so are we talking about capital programs—

**Mr JOSEPH TRIPODI:** They will all be considered for reprioritisation.

**The Hon. GREG PEARCE:** Just let me finish the question.

**Mr JOSEPH TRIPODI:** I am just qualifying my answer. They will all be considered. Not all of them obviously will be reprioritised.

**The Hon. GREG PEARCE:** Are you talking about the capital program in Budget Paper No. 4 or are you talking about a different capital program?

**Mr JOSEPH TRIPODI:** It includes the stuff that is in Budget Paper No. 4, but not exclusive of it.

**The Hon. GREG PEARCE:** So it also involves extra projects?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. GREG PEARCE:** Where are those extra projects?

**Mr JOSEPH TRIPODI:** Not only does it cover the infrastructure programs but we are also reviewing the op-ex commitments that have been made and that are in the budget papers also.

**The Hon. GREG PEARCE:** Just clarify it, have you read the Standard and Poor's reports in August and September?

**Mr JOSEPH TRIPODI:** It has been a while.

**The Hon. GREG PEARCE:** No, this year?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. GREG PEARCE:** In September?

**Mr JOSEPH TRIPODI:** I read them very briefly when they came out.

**The Hon. GREG PEARCE:** Very briefly?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. GREG PEARCE:** Did it become apparent to you that Standard and Poor's were actually talking about reprioritising the capital program after the current estimates committee, so the program in the second half of your forward estimates period?

**Mr JOSEPH TRIPODI:** My recollection is that it is not just across the forward estimates but beyond that, yes. That is my understanding.

**The Hon. GREG PEARCE:** So it is beyond that, is it?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. GREG PEARCE:** How far beyond that?

**Mr JOSEPH TRIPODI:** Well, as far as is necessary to make sure that we satisfy our credit rating agencies.

**The Hon. GREG PEARCE:** I will go on to another matter for a moment. What is your role in relation to the Coordinator General's Office?

**Mr JOSEPH TRIPODI:** The Coordinator General's Office rests in the Department of Premier and Cabinet.

**The Hon. GREG PEARCE:** So you have no role in relation to that?

**Mr JOSEPH TRIPODI:** No.

**The Hon. GREG PEARCE:** As the Minister for Infrastructure, what is your relationship with the Coordinator General's Office?

**Mr JOSEPH TRIPODI:** If I ask for a briefing on a certain matter, they would be available to come to me. They have briefed me in respect to the Bays task force, for example, and the work that has been prepared there. They are available to provide information when I need it.

**The Hon. GREG PEARCE:** Which task force?

**Mr JOSEPH TRIPODI:** The future of White Bay and Glebe Island.

**The Hon. GREG PEARCE:** So you have not had a general briefing then from the Coordinator General?

**Mr JOSEPH TRIPODI:** No.

**The Hon. GREG PEARCE:** Have you had any discussions with Mr Richmond? Is he the former Coordinator General or is he still the Coordinator General?

**Mr JOSEPH TRIPODI:** He is currently the Coordinator General.

**The Hon. GREG PEARCE:** Have you had any discussions with him?

**Mr JOSEPH TRIPODI:** Specific discussions?

**The Hon. GREG PEARCE:** Any discussions?

**Mr JOSEPH TRIPODI:** I have exchanged greetings in the corridor and said hello to him.

**The Hon. GREG PEARCE:** So in the five weeks or so that you have been the Minister for Infrastructure you have not had a briefing from him?

**Mr JOSEPH TRIPODI:** Well, he has been away for a large part of this time.

**The Hon. GREG PEARCE:** Away so that you could not schedule a briefing?

**Mr JOSEPH TRIPODI:** He has been overseas.

**The Hon. GREG PEARCE:** The whole time?

**Mr JOSEPH TRIPODI:** No, part of the time.

**The Hon. GREG PEARCE:** So you could not have scheduled a meeting with him in the time that he was actually here?

**Mr JOSEPH TRIPODI:** He is away on leave at the moment.

**The Hon. GREG PEARCE:** You could not get a briefing, though, before he left?

**Mr JOSEPH TRIPODI:** I am pretty busy at the moment working through the work that has been prepared for me by Treasury. If I do require the assistance of the Office of the Coordinator General, I will call for it.

**The Hon. GREG PEARCE:** What is your role in relation to the Barrangaroo development?

**Mr JOSEPH TRIPODI:** Primarily that is an issue that is being managed by the Sydney Harbour Foreshore Authority. There is still deliberation and discussion with respect to whether a passenger terminal will be at Barangaroo and that is the degree of involvement I have had.

**The Hon. GREG PEARCE:** Mr Ainsworth, the former Chairman of the Newcastle Ports Corporation, had some concerns. He said that if the State wants its public bodies to be run like businesses, it must see that appointments are made on merit and are not jobs for the boys. Were you consulted in relation to Mr Ainsworth's reappointment?

**Mr JOSEPH TRIPODI:** I had discussions with Minister Costa about it.

**The Hon. GREG PEARCE:** What was your view?

**Mr JOSEPH TRIPODI:** I am very happy with the new chairman. He has served on the board, I am not sure but I think for almost 10 years, so he is an experienced board member of the Newcastle Ports Corporation and his elevation to the role of Chair is one that I support. At that time I was consulted but it was not my decision. It was the decision of the shareholding Ministers.

**The Hon. GREG PEARCE:** My question was really what your view was in relation to whether Mr Ainsworth should have been reappointed?

**Mr JOSEPH TRIPODI:** I think he served very well during his period of time but he had been there for a very long, so I did concur with the then Treasurer's view that it was time for a change.

**The Hon. GREG PEARCE:** How long was he there—12 years? Perhaps it might be time for a change?

**Mr JOSEPH TRIPODI:** Well, if you think you have more wisdom than the people of New South Wales—and I think you do think you have more wisdom than the people of New South Wales—then you could say that.

*[Short adjournment]*

**Dr JOHN KAYE:** Minister, I take you to the better regulation principles, which I understand you as a Minister have responsibility for. The first of those principles is that government action should be established. You would agree that those principles are basically deregulation principles; basically the onus of proof lies with the Government or those who would seek to regulate. Would you not agree that, given the turmoil that deregulation has brought about in the international capital markets, it might be time to reassess the whole project of wholesale deregulation?

**Mr JOSEPH TRIPODI:** Where is the wholesale deregulation going on? That is not the case at all.

**Dr JOHN KAYE:** You talk about slashing red tape, which is usually code language for deregulation. The entire better regulation principles are about things like finding alternatives, the need for government action should be established, and so on. Unless, of course, you are not applying the principles, it is very clear that the principles are about deregulation, that is, minimising regulation.

**Mr JOSEPH TRIPODI:** No, not at all. Let me explain it to you. What it says is that you should find the optimal set of regulations to achieve your policy objective. If you have overregulated to achieve the policy objective, you have not only been more costly to consumers, producers, and everyone else, and the Government and taxpayers, but it would actually be more detrimental to the environment—which is something I would hope you would be interested in. It is about determining the optimal regulatory structure to achieve the policy objective. What the best practice principles guide you towards is to ask the initial and original question, that is: Do you require a regulation to achieve the policy objective, and if you do, what is the way you can achieve it at least cost to the system—to the consumers, producers, or whoever it is that is being regulated? All that is doing is asking you to start from first principles when you are designing a regulatory framework.

**Dr JOHN KAYE:** But you would agree that nothing in the regulatory principles asks the question about the potential impacts of not having regulation? Everything in there is about the potential impacts of having regulation, but there is nothing about the long-term consequences of not having regulation?

**Mr JOSEPH TRIPODI:** It does, of course. That is embedded in the policy objective.

**Dr JOHN KAYE:** In which of those principles is that embedded?

**Mr JOSEPH TRIPODI:** It is embedded in the original question of what you are trying to achieve.

**Dr JOHN KAYE:** It talks about the fact that the need for government action should be established, and about repeal and simplification. But nowhere can I find—and perhaps you can point me towards it—where it talks about considering the impacts of not having regulation.

**Mr JOSEPH TRIPODI:** The first question is: Do you have a problem? The second question is: Does regulation help you solve that problem? The third question is: Only if regulation does help you solve that problem do you go on to regulate, and you regulate in a manner that is of least cost to everyone involved. I do not know how, ideologically, you could have any problem with that—even socialists would agree with that.

**Dr JOHN KAYE:** I do not have any problem with the concept of "least cost"; in fact, it would be good if the Government gave more thought to the least cost principle, particularly when it comes to planning energy. But that is another issue. Let us talk about your first statement, when you said, "Do you have a problem?" Is that not precisely the issue I am talking about—that part of the point of regulation is to avoid having a problem in the first place? You are saying that your interpretation of these guides is purely reactive; there is nothing proactive in your regulation at all. You say, "Do you have a problem? If not, then you do not regulate." There was no problem in the capital markets in the United States and Europe in the 1990s; the problem only emerged a year ago.

**CHAIR:** Could you get to the question?

**Dr JOHN KAYE:** That is my question.

**Mr JOSEPH TRIPODI:** I know that the broad Left are inspired by the prospect of the international revolution, but it is not coming. I do not know why they want to broaden it out to all this stuff. All the central banks and all the regulatory authorities are making appropriate interventions; fundamentally that is what is required. The Reserve Bank and the Australian Government have stepped in and done the right thing, and I hope that the result will be there.

**Dr JOHN KAYE:** Let us go to the issue of Tillegra Dam. We constantly hear from the Treasurer about the potential need to reduce expenditure on infrastructure. We heard from you before about the issue of least cost and the importance of doing things at least cost, something the Greens would strongly support. Why then are we still considering Tillegra Dam, given that it is not the least cost solution?

**Mr JOSEPH TRIPODI:** What do you propose would be the least cost solution—?

**Dr JOHN KAYE:** You are answering the questions and I am asking the questions. What evidence do you have that it is the least cost solution?

**Mr JOSEPH TRIPODI:** The primary motivation for that dam is the Central Coast challenges and the diversification of water sourcing for the people of the Central Coast. It is about drought-proofing and making sure that, going forward, the people of the Central Coast will have sufficient water to meet their needs.

**Dr JOHN KAYE:** So it is not on your list of infrastructure projects that you might consider not building?

**Mr JOSEPH TRIPODI:** As I have said, the only issue that is not under consideration is the payroll tax position, which we will be honouring. All other capital works programs could be the subject of consideration for re-privatisation.

**Dr JOHN KAYE:** So Tillegra is on the list of projects? Like every other project, it is on the list of projects that might not be built?

**Mr JOSEPH TRIPODI:** Have we signed the contract?

**Dr JOHN KAYE:** No, you have not signed the contract.

**Mr JOSEPH TRIPODI:** Okay, then it would be a consideration thing.

**Dr JOHN KAYE:** In those projects that you are considering not building, do you engage in a search for other lower-cost alternatives to satisfy the need?

**Mr JOSEPH TRIPODI:** Yes, the Government will always consider lower-cost alternatives. If you want to put one forward we are happy to examine it.

**Dr JOHN KAYE:** So in the case of Tillegra, if there were lower-cost alternatives—

**Mr JOSEPH TRIPODI:** I have never seen the Greens put forward a lower-cost alternative mind you.

**Dr JOHN KAYE:** In the case of Tillegra Dam if, for example, there was a report from Hunter Water that said there was a lower-cost alternative then Tillegra Dam would be high up on your list of dams or projects that should not be funded?

**Mr JOSEPH TRIPODI:** It would have to be a judgement made on a cost-benefit assessment. The cost would not be the only consideration; you have to weigh it against the benefits and value for money considerations. Obviously those variables need to be considered, so cost is not the only variable that you consider.

**Dr JOHN KAYE:** If there were a report by Hunter Water that said that the Tillegra Dam was one of the most expensive to satisfy the same need you would then abandon it?

**Mr JOSEPH TRIPODI:** Depending on what the benefits are, of course.

**Dr JOHN KAYE:** No, you have said that the benefits are the provision of water. If you could have the same net affect on the provision of water through other projects and other lower-cost expenditure then Tillegra would then move up the list of projects that you would want to abandon?

**Mr JOSEPH TRIPODI:** Dr Kaye, if you have an alternative method of drought proofing the Central Coast then please bring it forward because the Government would be happy to look at it.

**Dr JOHN KAYE:** So the Tillegra Dam is about drought proofing the Central Coast?

**Mr JOSEPH TRIPODI:** I think that was the primary motivation and the Hunter. I mean there are benefits for the Hunter obviously but the prime motivation, as I understand it, was the drought issues confronting the Central Coast.

**Dr JOHN KAYE:** So the funding of the Mardi-Mangrove pipeline by the Commonwealth does not take Tillegra off your list then? Perhaps you can take that on notice.

**Mr JOSEPH TRIPODI:** Or you could ask the Minister for Water, either way.

**Dr JOHN KAYE:** Of the 10-top projects that you sent to Infrastructure Australia, is it so that nine of them were road-building projects? Do you want me to repeat the question so that Mr Schur can hear it?

**Mr MICHAEL SCHUR:** There is a lot of rail in there too.

**Mr JOSEPH TRIPODI:** There is quite a bit of rail.

**Dr JOHN KAYE:** But a substantial number of those were road as well?

**Mr JOSEPH TRIPODI:** Yes. We do have roads and people do use them and they are popular.

**Dr JOHN KAYE:** In putting that together did you take into account the possibility of higher oil prices? The possibility that oil prices would go up and oil availability would become an issue—some people call it peak oil?

**Mr JOSEPH TRIPODI:** As I understand it the modelling work that has been done to date has been done on a cost-benefit assessment.

**Dr JOHN KAYE:** Did any of the modelling work that was done take into account high oil price scenarios?

**Mr JOSEPH TRIPODI:** It would be implicit in the projected use of that infrastructure, yes.

**Dr JOHN KAYE:** So the modelling that went into assessing the cost benefit of each of those projects took into account model scenarios with significantly rising oil prices?

**Mr JOSEPH TRIPODI:** I will take the question on notice because it is the transport agencies, as I understand it, that have done the assessment work but I would imagine the consideration of fuel costs would be implicit in any modelling of traffic volumes.

**CHAIR:** Following on from that question. Minister, it would be fairly obvious that there will always be vehicles on roads whether they use Ethanol or other fuels or batteries and so on?

**Mr JOSEPH TRIPODI:** For the foreseeable future I would imagine.

**CHAIR:** So there will be an ongoing need for those. Just to clarify another point. We know there is a mini-budget coming and some of the questions that have been asked implied that projects get either abandoned—the word "abandoned" was used—or go ahead. The other possibility would be projects having a new priority timetable?

**Mr JOSEPH TRIPODI:** Yes.

**CHAIR:** And they are moved back. Can you explain how that would happen?

**Mr JOSEPH TRIPODI:** Obviously the Treasury does forecasting of what they anticipate the revenue stream to be. That obviously forms the funding envelope for all Government activity. The delaying or spreading of a project over a longer period of time would mean the capital commitment in each period of time would be less. That would make it more likely to fit within that revenue-funding envelope.

**CHAIR:** Even though there is to be a mini-budget it does not mean that some of the projects the Government has announced will be scrapped?

**Mr JOSEPH TRIPODI:** It does not automatically mean they will be scrapped, no.

**CHAIR:** Probably not scrapped because if there has been a commitment the Government would endeavour to fulfil those commitments in a different timetable?

**Mr JOSEPH TRIPODI:** As best it can within the budget constraint that we find ourselves in.

**CHAIR:** In Budget Paper No. 4 there is a list of items under capital expenditure. Just to clarify what the mini-budget is looking at is there a possibility that any of the projects on page 3-2 will be affected by the mini-budget? In other words, are these projects outside the mini-budget review: the 19 major new school projects, the M5 East filtration, 263 new buses, redevelopment of Narrabri hospital and so on, the redevelopment of the Riverina Juvenile Justice Centre, and some of those other matters? Are they all fixed projects that will not be affected by the mini-budget review?

**Mr JOSEPH TRIPODI:** I think as a general decision rule—and I would have to say that there may be qualifications to it—if a contract for a major capital works program has been signed it is likely that the Government will continue that capital works project. The cost of delaying something that has already been

signed would be quite substantial and there would be penalties involved. The Government would be seeking to avoid those penalties. So those projects where a contract has not been signed would be the ones that would be getting more serious attention from the Government in terms of re-prioritisation.

**CHAIR:** So that could include some of those items I have read out being delayed?

**Mr JOSEPH TRIPODI:** That is correct. I do not know the contractual status of each one of those projects but as a general decision rule that is the approach.

**CHAIR:** I am not sure whether this comes under your authority, as you have responsibility for the Dust Diseases Board. Do you have any involvement through WorkCover or any other department with the James Hardie asbestos issue?

**Mr BLACKWELL:** The Dust Diseases Board itself does not have any direct involvement with James Hardie.

**CHAIR:** Who looks after the James Hardie asbestos issue?

**Mr BLACKWELL:** In what sense?

**CHAIR:** Which Minister has responsibility for the matter? Is it Minister Tripodi?

**Mr BLACKWELL:** The health part of that, I would imagine, would come under the Health portfolio. The Dust Diseases Board, as you know, compensates people who have had occupational exposure to asbestos and a variety of asbestos-related diseases and provides income support for them, lump sum payments and so forth. There are occasions where action is taken by individual sufferers against James Hardie. That is outside the Dust Diseases Board. That goes to the Dust Diseases Tribunal.

**Mr BOWEN:** I can add some information on that. I am one of the Government-appointed directors on the Asbestos Injuries Compensation Fund, which is managing the run-off of James Hardie. The other representative is Ms Leigh Sanderson, Deputy Director General of the Department of Premier and Cabinet. The matter falls under the Premier's responsibility and she looks after those matters.

**CHAIR:** Can you answer a question on the issue?

**Mr BOWEN:** Not on specifics, no. That should be directed to the Premier's department.

**CHAIR:** There have been some reports that the available funding may not be sufficient.

**Mr JOSEPH TRIPODI:** To further confirm, in all my observations the former Premier was taking the lead on this issue and the Deputy Director General, Leigh Sanderson, has been the principal source of advice on the management of that issue.

**The Hon. KAYEE GRIFFIN:** Minister, you spoke about best deals in green slip purchases. What is the Government doing to further improve the green slip scheme?

**Mr JOSEPH TRIPODI:** The State Labor Government has made significant and historic changes to the green slip insurance scheme. Traditionally the green slip scheme has been fault based. This required an injured person to prove they were injured by the negligence or fault of a vehicle driver. If the driver was not at fault, treatment, care and rehabilitation costs were not covered. In those cases it was often the parents of young children or the family of those severely injured who were left to pay the costs. Since October 2006 all children injured in a road accident have been covered by the green slip scheme for their medical treatment and care expenses, regardless of whether a driver was negligent in causing the accident. From October last year everyone severely injured in a motor vehicle accident—for example, people who suffered brain or spinal injury—now has their treatment and care costs met for the rest of their life.

On 1 October this year further improvements were implemented to make the scheme work better for injured people. Injured people can now claim for their lost earnings from the time of their accident. Previously the first five days of lost income could not be claimed. Also, the maximum amount that can be claimed through the accident notification form process for making small claims has increased from \$500 to \$5,000. People

injured in road accidents can get quicker access to necessary treatment and compensation by completing the accident notification form. The Government has improved this process, so that now people can claim for their lost work income as well as their medical treatment expenses. The green slip scheme now covers many more people who are injured on our roads. In particular, this gives families the confidence that their loved ones will receive the necessary treatment, rehabilitation and care for their recovery. No longer will families have the worry of often costly legal cases to decide whether essential treatment and care costs will be covered.

As well as improving the scheme for injured people, New South Wales motorists are also benefiting from significantly cheaper green slips. Since the start of reforms to the green slip scheme in 1999 the average green slip premium for a Sydney family motor car has dropped from \$441 to just \$329, according to the latest figures available as at 30 June 2008. These prices represent a reduction in real terms of more than \$150 for motorists. The affordability of green slips has improved also, with prices decreasing from 50 per cent of average weekly earnings in 1999 to about 27 per cent today. The Government has improved the scheme to make it more affordable for motorists, as well as providing more assistance to those who are injured in road accidents.

**The Hon. PENNY SHARPE:** As to young people and safety in the workplace, New South Wales recently held a competition for young workers in the workplace. Could you give us some information about that competition?

**Mr JOSEPH TRIPODI:** The WorkCover Young Workers Poster Competition was designed to encourage young workers to think about issues surrounding workplace health and safety and creatively express hazards and solutions. The theme of this year's competition challenged entrants to demonstrate their reason for workplace safety—it does not just affect them at work but their whole life. The competition was open to any New South Wales residents aged between 15 and 25 years across four categories: 15 to 18 years non-school; high school; 19 to 25 years non-tertiary; and tertiary, including TAFE and community colleges. Now in its third year the WorkCover young workers poster competition attracted a record number of entries, a total of 779 eligible entries across all categories. It was pleasing to see that entries were not received just from the major metropolitan centres but from across the State. Rural and regional New South Wales was well represented, with winners coming from areas such as Tweed Heads, Wollongong, Bathurst, Tamworth, Port Macquarie, Batemans Bay and the Hunter region. This is further proof that the workplace safety message is being received statewide.

Not only were more entries received from regional and rural areas, more entries were received from young people from different multicultural backgrounds. That shows workplace safety is vitally important to everyone, regardless of background. Raising the awareness of workplace safety amongst people has a flow-on effect to their families, friends and co-workers. This positive influence could potentially prevent injuries and fatalities, which is a tremendous benefit from this competition. The standard of entries submitted in this year's competition was exceptional and highlighted the talent and creativity of our young people. I have no doubt the judges were involved in much deliberation before naming the eventual winners. One characteristic winners shared was the way their own lives have been touched by workplace injury. The winner of the 19 to 25 years category entered a poster that showed a young man playing a guitar with an amputated hand and the tagline "My reason for workplace safety is what I can never get back." The photograph was of the entrant's brother who lost his hand in a workplace incident. This highlights how all our lives can be touched by workplace injury.

On 25 September 2008 more than 150 people attended the awards ceremony at Luna Park, hosted by Merrick and Rosso from Nova 96.9. More categories in this year's competition meant more prizes to be shared around. Forty winners and runners-up received cash and prizes to the tune of \$36,000 and four winners were also named in the People's Choice, one for each category. Selected winning entries will be made into A2 size posters that will be available free of charge for distribution around the State. Winning posters of previous years are still available through WorkCover's publications hotline 1300 799 003. I acknowledge and recognise the tremendous talent and efforts displayed by all entrants to this year's competition and I encourage each and every one of them to enter next year's competition.

**The Hon. IAN WEST:** Can you give us some information about the achievements of the WorkCover Assistance Service?

**Mr JOSEPH TRIPODI:** The WorkCover Assistance Service provides information and advice to New South Wales workers, employers, industry and the community. The assistance service consists of the information centre and the claims assistance service. The information centre is a central point of contact for all inquiries concerning WorkCover business. It has been operating for nine years as a client contact centre and has 26 permanent positions. When necessary, WorkCover duty officers are also available to assist with technical

inquiries. Each month the information centre receives approximately 17,000 telephone calls, 130 requests for information via email and 215 front-counter inquiries. The average wait time on the information centre queue for 2007-08 was 2 minutes 33 seconds. In July 2007 the WorkCover Information Centre was recognised nationally in winning the best government contact centre operation with less than 30 employees. A customer satisfaction survey was conducted on 800 external customers during April and May 2008 on 14 service attributes. Scores were very positive, with overall mean ratings above 8 out of 10.

The Claims Assistance Service provides assistance to injured workers, employers and others in navigating the workers compensation system. The service commenced operations in January 2002 and has 13 permanent positions. It provides assistance with the payment of benefits, resolving delays in treatment and payment of medical expenses, return to work issues and early injury notifications. During 2007-08 the Claims Assistance Service handled over 10,000 cases including 4,394 standard cases, with a resolution rate of more than 85 per cent. The average wait time on the Claims Assistance Service queue was 9 seconds. The Claims Assistance Service has proved an invaluable tool in reducing the number of workers compensation disputes that require resolution in the Workers Compensation Commission.

**The Hon. KAYEE GRIFFIN:** Minister, what assistance is available to help workplaces in rural and regional New South Wales to be safer and more productive?

**Mr JOSEPH TRIPODI:** The Government is committed to making workplaces in rural and regional New South Wales safer and more productive. The rural industry is a vital contributor to the New South Wales economy. By its very nature it often also involves high-risk activities and presents unique safety challenges. The Government recognises that these challenges require specific solutions. To this end, it has made a multi-million-dollar investment in rural safety over the past three years and is committed to working with the State's farmers to build awareness, knowledge and skills to make their farms safer.

The Government is also aware that ongoing drought conditions in New South Wales are having a significant impact on rural and regional businesses. To assist business operators affected by the drought the Government has introduced a number of initiatives that aim to meet rural and regional business needs. The Drought Recovery Assistance Program was launched on 1 July 2008 to help improve farm safety through incentives for drought-affected businesses. As part of the program, changes to the existing Small Business Safety Solutions Rebate and Silo Safety Improvement Rebate schemes have been introduced. Full reimbursement will now be provided for agreed safety improvements made, up to \$500 for the Small Business Safety Solutions Rebate. The Silo Safety Rebate has also been increased from \$750 to \$1,000 and will be fully reimbursable. To assist those businesses that have already received a rebate under the Silo Safety Rebate Scheme, WorkCover will refund the difference.

The Government is also aware that each year people are killed or seriously injured in incidents involving tractor power take-offs where the person's clothing, head, jewellery, hands or limbs get caught and become wrapped around an unguarded power take-off shaft or coupling. To address the safety issue, WorkCover introduced the Tractor Power Take-Off Rebate Scheme, which initially reimbursed farmers who installed power take-off guards on their tractors on a dollar for dollar basis. The existing scheme has since been improved and tractor owners will now be able to claim 100 per cent of the cost of the guard purchased for their tractor, up to a maximum of \$200. WorkCover will also be working with local suppliers to provide businesses with power take-off guards at major rural field days free of charge, up to a maximum of \$200 per applicant.

The Tractor Power Take-Off Rebate Scheme follows on from the highly successful Roll-Over Protection Scheme, which assisted around 10,000 farmers to fit life-saving roll bars to tractors, leading to a 25 per cent reduction in tractor-related trauma incidents in its first year, and the ShearSafety Rebate Scheme that put safer shearing handpieces in shearing sheds around the State. The Government also recognises the significant impact the drought has had on the physical and mental health of individuals in rural and regional communities. WorkCover has partnered with Farmsafe Australia to deliver a farm-safety training course for new workers and is sponsoring existing drought-related mental health programs.

The Government is proud of its record in delivering reforms to workers compensation and workplace safety in New South Wales and the benefits that these reforms bring to workers and employers. We remain committed to continuously working with industry to improve the State's workplace safety laws and build a culture that places the highest value on workplace health and safety. After all, the objectives are simple: to ensure that all workers make it home at the end of the day and allow employers to get on with the business that they do best.

**The Hon. PENNY SHARPE:** Could you provide some information to the Committee on the achievements of WorkCover's Business Assistance Group?

**Mr JOSEPH TRIPODI:** The Government recognises that many small- and medium-size businesses need help in making their workplaces safer and in fulfilling their workers compensation obligations. To meet this need, WorkCover established the Business Assistance Group in 2005. The group has proved to be a very successful initiative, delivering practical advice and assistance to business across the State. In the last year the Business Assistance Group has conducted 335 workshops and 126 presentations, participated in 64 expos and events and received 595 requests for workplace advisory visits.

These activities have provided regional small business with a variety of services at a time and location that meets their needs. Building on this success, a \$12.5 million three-year Small Business Safety Program was announced last year that has seen an even greater expansion of services and initiatives. This included a \$5 million program of \$500 rebates for small businesses that install safety equipment or make safety modifications to their workplace. The highly successful statewide workshop program has been expanded with 1,500 free workshops and seminars on a variety of topics to be held across regional, rural and metropolitan New South Wales over the next two years.

Additional business advisory officers have also been engaged at Port Macquarie, Newcastle, Ballina and Albury to increase services to the State's regional and rural employers. Small businesses can request a visit from a business advisory officer, who will provide practical information, education, advice and assistance to help prevent workplace injuries. WorkCover is conducting its one-thousandth advisory visit today at the Gunna Wanna Be Café in Lismore. The Gunna Wanna Be Café, which serves kangaroo hamburgers, is owned and run by indigenous Australians, who are also active members of WorkCover small business safety forms. This is a great example of the Government working with small business and the indigenous community to promote safe workplaces.

WorkCover's 'Safe Business is Good Business' Mentor Program has also been expanded to include retail, consumer services and agricultural industries and will continue to build on its work with the construction and manufacturing industries. Participation in this year's program has significantly increased, with 62 mentors from across 27 businesses and 101 participants. In addition to three new custom-built safety trailers, WorkCover has two fully equipped safety buses staffed by trained business advisory officers to deliver education and advisory services to rural and regional businesses across New South Wales.

WorkCover has also developed a well-received industry specific website and online self-assessment tool to provide small businesses with information 24 hours a day, seven days a week. Well over 16,100 businesses have utilised the online tool, which provides them with an indication of how well they are managing their workplace safety and injury management. In addition, 10 regional small business forums have been established across New South Wales, with a peak advisory group. The forums provide the opportunity for increased engagement and consultation with small businesses and the development of targeted programs to meet their ongoing needs.

The Business Assistance Group remains at the forefront of measures put in place by this Government to help small- to medium-size business make workplaces safer and to complement injury management programs and improve workers compensation benefits to injured workers. I am confident that by continuing to work collaboratively with employers and workers into the future we will continue to spread the message that safe workplaces are profitable workplaces.

**The Hon. KAYEE GRIFFIN:** What improvements have been made or proposed improvements will be made to New South Wales workers compensation?

**Mr JOSEPH TRIPODI:** The Workplace Relations Ministers' Council recently released the Comparative Performance Monitoring Report for 2006-07. While caution must always be exercised when comparing outcomes across jurisdictions, the report shows that the incidence rate of workplace injuries in New South Wales remains below the national average, which is exceptionally good news. New South Wales is also performing well against the national occupational health and safety strategy, being one of only four jurisdictions to exceed the interim target of a 20 per cent reduction in the incidence of work-rated injuries by June 2007. The report demonstrates that New South Wales is on target to achieve a 20 per cent reduction in fatalities and a 40 per cent reduction in injuries by 2012. Indeed, New South Wales now has the lowest incidence rate for long-

term claims of all States and Territories, with an approximate reduction of 40 per cent in claims longer than 12 weeks over the past five years.

Our State has also achieved the greatest reduction in the rate of injury and manual handling claims, with the report projecting a 28.9 per cent improvement since June 2002 compared to the average of 16.4 per cent across all jurisdictions. The incidence and frequency rates of claims for serious injuries and diseases of 13.9 per 1,000 employees and 8.5 per million hours worked are now below the Australian average of 14.2 and 8.8 respectively.

Not only has the incidence rate dropped, but so has scheme expenditure—by more than \$750 million. That is further proof that the Government has delivered on its promise to provide real benefits to the people of New South Wales. We have managed to achieve this while reducing WorkCover premium rates by an average of 30 per cent since November 2005 and providing injured workers with the most comprehensive suite of benefits in the nation. New South Wales has the lowest incidence rate since the scheme began in 1987. Fatalities have also more than halved during that time. This Government is proud of the fact that New South Wales is leading the way forward in occupational health and safety and workers compensation. We will continue to work tirelessly to deliver real improvements in workplace safety and workers compensation to make workplaces safer and more productive.

**The Hon. MATTHEW MASON-COX:** Is the Better Regulation Office not unlike the Ministry for Truth in George Orwell's classic novel *1984* in that it was set up to be seen to be doing something but it actually does nothing useful at all?

**Mr JOSEPH TRIPODI:** I would not suggest that to the employees of the Better Regulation Office. They are grossly overworked.

**The Hon. MATTHEW MASON-COX:** What are they actually doing?

**Mr JOSEPH TRIPODI:** They do a great deal. The office examines every relevant minute that is presented by the Minister for consideration by Cabinet. It formulates advice which it gives to me and which gives rise to issues that I consider and raise in Cabinet. Often the office's involvement at the beginning of the process of the formulation of the proposed reform means that during the process the agency involved is actively considering the structure and nature of the regulatory proposition. The office is actively involved in just about everything that comes to Cabinet. It polices red tape.

**The Hon. MATTHEW MASON-COX:** I understand all of that. In that case, why are businesspeople in New South Wales spending five hours a week more than businesspeople in Queensland on regulatory and bureaucratic requirements?

**Mr JOSEPH TRIPODI:** Where did you get that statement?

**The Hon. MATTHEW MASON-COX:** It was in a report released by Westpac last June. I can provide a copy. It shows that New South Wales businesses must comply with more regulations and bureaucracy. Would you agree that five hours a week is a lot of time for a small business?

**Mr JOSEPH TRIPODI:** Any amount of red tape is a difficulty for small business. When I was Minister for Small Business we regularly conducted red tape reviews. I was very surprised how little red tape was mentioned by industry when it raised issues it wanted reformed.

**The Hon. MATTHEW MASON-COX:** The Ministry of Truth is alive and well.

**Mr JOSEPH TRIPODI:** The office is very active.

**The Hon. GREG PEARCE:** What is the date of the New South Wales Government's submission to Infrastructure Australia?

**Mr SCHUR:** The first submission was the formal audit and it was presented at the end of June.

**The Hon. GREG PEARCE:** Is that the document on the web at the moment?

**Mr SCHUR:** Yes. Subsequent to that there has been a follow-up letter that is more specific about the key transport initiatives that we want to be considered. I cannot tell you the specific date.

**The Hon. GREG PEARCE:** Can you provide a copy of that letter to the Committee?

**Mr SCHUR:** Yes.

**Mr JOSEPH TRIPODI:** That document is cabinet-in-confidence.

**The Hon. GREG PEARCE:** It is cabinet-in-confidence but it has gone to the Federal Government.

**Mr JOSEPH TRIPODI:** That is correct.

**The Hon. GREG PEARCE:** Then it has been disclosed.

**Mr JOSEPH TRIPODI:** If the document can be released, we will make every endeavour to do so.

**The Hon. GREG PEARCE:** Please let us know the date on it. Minister, what is your understanding of what a mini-budget comprises? I can give you a hint: a budget comprises a budget speech, an appropriation bill and fiscal legislation.

**Mr JOSEPH TRIPODI:** I understand the nature of the question. However, there is an assumption in the question that there is some regular form to a mini-budget. I think they change depending on the circumstances. They can include—but I am not necessarily suggesting that this mini-budget will—a re-examination or a restatement of forward expenditure. However, I cannot say at this stage what the nature of the mini-budget will be, because it is the Treasurer's document.

**Dr JOHN KAYE:** Minister, I take you back to your answers to my questions about harmonisation of occupational health and safety standards. I am interested in the answers that you, Mr Blackwell and Ms Telfer gave. You talked about harmonisation and maintaining New South Wales' high standard. However, nowhere in the answers did we hear anything about world's best practice. Is world's best practice what we are seeking to achieve? What research undertaking does WorkCover have to ensure that we are advancing towards world's best practice?

**Mr JOSEPH TRIPODI:** I am reminded that the Stein review included some of the international work that has been done in the United Kingdom. That was obviously reflected in the document that Stein put together.

**Dr JOHN KAYE:** Which was not endorsed by the New South Wales Government.

**Mr JOSEPH TRIPODI:** It was forwarded for consideration by the process.

**Dr JOHN KAYE:** Are you telling me that the only research you have is what Stein did and your only commitment to world's best practice is that you had a document prepared by Justice Stein that mentioned some stuff that happened in the United Kingdom that you did not endorse?

**Mr JOSEPH TRIPODI:** The work that has been done will be the product of a collaborative process involving public servants across Australia from all the relevant State agencies and the Commonwealth. I have every confidence that those public servants are aware of the best practices that exist around the world and that their advice and knowledge will be encapsulated in what comes forward.

**Dr JOHN KAYE:** If there is no political leadership on world's best practice and you are not using the expression, and if, as you say, New South Wales and Queensland have the highest standards and that is about it, we are not reaching for the stars. We appear to be pursuing business as usual, doing the best we can and muddling along. Is that not correct?

**Mr JOSEPH TRIPODI:** I have every faith that the knowledge and experience that all public servants have across Australia will be captured in the work that they do for consideration by the Ministers involved.

**Dr JOHN KAYE:** What political leadership are you offering in moving Australia and New South Wales towards world's best practice in occupational health and safety?

**Mr JOSEPH TRIPODI:** I think I have answered the question. Work is being done—

**Dr JOHN KAYE:** No, what you have said is a valid answer to a different question; that is, we have some good bureaucrats working on it. I am asking a question that Mr Blackwell cannot help you with, because it is about what political leadership you are providing. It seems that he can help.

**Mr JOSEPH TRIPODI:** I refer you back to my previous answer. That is, we will be looking at the work that is coming out of that process and weighing that up and considering it in any decision made at a ministerial level. This requires the coordination of different opinions of different Ministers right across the country. I am not going to pre-empt what that process will deliver.

**Dr JOHN KAYE:** Can you answer this question on notice? What research capacity exists within WorkCover that would provide you with information about what is world's best practice? I am afraid that has to be a question on notice because my time has expired.

**The Hon. PENNY SHARPE:** Minister, what benefits do new government office building projects deliver to local communities and to government service providers?

**Mr JOSEPH TRIPODI:** Capital works projects currently being managed by the State Property Authority will go a long way to assist occupying agencies to more efficiently carry out their roles and responsibilities. Local communities also benefit considerably when government projects get the go-ahead in their regions. One very large capital works project is the New South Wales Government Service Centre in Queanbeyan, which became fully operational in July 2007. This \$40 million project was completed on time and within budget and was officially opened on 4 September 2008. The Government approved funding for the project to address a shortfall of quality office accommodation in Queanbeyan and the disparate service delivery arrangements provided to the community.

The opening of the centre marked a significant change in the delivery of government services in New South Wales. A single, ground-floor information and reception centre acts as the operational hub of the building. It serves as a centralised reception, meeting and referral centre for the 11 tenant agencies and provides a single information point for customers doing business with government. It also provides customers with general information on a wider range of government services. The consolidation of multiple agencies in an integrated, one-stop-shop facility assists in reducing costs, eliminating duplication of support services and building management arrangements and delivers savings to both the community and the Government.

The building includes the latest in sustainable design features aimed at achieving a 4.5 star National Australian Built Environment Energy Rating Scheme rating and will reduce greenhouse emissions and tenants' power consumption. The building also provided a boost to the local economy with around 450 tradespeople and suppliers involved during the construction phase of the project. It provides for levels of office accommodation with a net lettable area of 6,200 square metres and car parking for 112 vehicles. The building accommodates approximately 300 staff including the Department of Community Services, Department of Housing, the Office of Fair Trading and the Department of Juvenile Justice.

The Parramatta Justice Precinct is a further example of how government-owned capital works projects benefit both local communities and government agencies. In July 2005 the Government approved funding of \$330 million for the development, design and construction of the Parramatta Justice Precinct. The new precinct, completed on time and within budget in September 2006, now provides better access to justice for 1.7 million people living in greater Western Sydney. It has also provided the most significant boost to employment in Parramatta in a decade, including the relocation of the Attorney General's Department offices from the city. The project generated more than 3,500 jobs and includes six children's courts, eight trial courts, a parole hearing room, 20,000 square metres of office space for the Attorney General's Department, legal offices and a \$25 million community health centre.

Stage one, involving the refurbishment of Jeffery House for the Sydney West Area Health Service and Parramatta Community Health was officially opened by the Premier in July 2006. The New South Wales Children's Court was completed and occupied by Attorney General's in September 2006. The Justice building was completed in October 2007 and the trial courts, comprising the final stage of the project, were occupied in February 2008. By concentrating this sort of development in an established centre, the Government is meeting the challenges of a growing city.

Penrith and Queanbeyan will also benefit from informed government decisions that new government offices were needed in those areas. In June 2006, the Government announced plans for a new government office building in Penrith. Construction of the new \$47 million Penrith Government Office Building is scheduled for completion in late 2008. The landmark, seven-storey building will house 450 employees and is located opposite Penrith railway station. The building will become the headquarters of the Sydney Catchment Authority, which is currently scattered around Penrith in leased accommodation. The local offices of the Department of Community Services and the Office of Fair Trading will also be accommodated. The project has created 500 construction jobs, provided local employment opportunities and will deliver improved services to local families. The building will feature the latest technology in office construction and fit out and will be environmentally friendly, saving on water and energy in its daily operation. It is designed to achieve a 4.5 star energy rating to minimise its greenhouse impact.

The State Property Authority will continue to deliver on its mandate to assist government agencies and deliver essential community services by maintaining and developing appropriate real estate solutions that facilitate the alignment of their property and service delivery needs. In delivering three critical infrastructure projects, the Government is playing a vital role in the delivery of essential community services to metropolitan and regional communities throughout New South Wales.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**