

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Wednesday 15 September 2004

Examination of proposed expenditure for the portfolio areas

ROADS, AND HOUSING

The Committee met at 8.00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. K. F. Griffin
Ms S. P. Hale
The Hon. D. T. Harwin

The Hon. E. M. Obeid
The Hon. D. E. Oldfield
The Hon. I. W. West

PRESENT

Mr P. C. Scully, *Minister for Roads, and Minister for Housing*

Department of Housing

Mr T. Barnes, *Director-General*

Mr B. Thomas, *Chief of Staff*

Mr T. Downing, *Acting Executive Director, Housing Systems*

Mr J. Stubbs, *Chief Financial Officer*

Ms L. King, *Acting Director, Office of the Director-General*

Roads and Traffic Authority

Mr P. Forward, *Chief Executive*

Mr B. Skinner, *Director, Finance*

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 welcome you to this public hearing of General Purpose Standing Committee No. 4 and thank the Minister and his officers for attending. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio areas of Housing and Roads.

There are some procedural matters to be dealt with before we proceed. I point out that in accordance with the Legislative Council's guidelines for the broadcast of proceedings, which are available from the attendants and the Clerks, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, you must take responsibility for what you publish or what interpretation is placed on anything that is said before the Committee.

With respect to delivery of messages, the usual arrangements apply. With respect to departmental officers, it would help members of the Committee and Hansard if they could identify themselves when a question is referred to them. We will devote the first hour to Housing and then we will deal with Roads. I declare open the examination of the proposed expenditure.

Ms SYLVIA HALE: What is the attitude of the department and of the New South Wales Land and Housing Corporation to the presence of asbestos in public housing?

Mr CARL SCULLY: Like any responsible agency it is always of concern to us. We make sure that our contractors, when they are removing it, comply with all the occupational health and safety guidelines. I have not had any concerns brought to my attention on any particular site but I know it is something I have raised with the director-general and he has assured me that proper protocols are always followed when it is removed. Are you referring to any particular recent incident that may not have been brought to my attention?

Ms SYLVIA HALE: You mentioned contractors. It is my understanding that contractors working at units at Wauhope Crescent, Coogee, worked on a switchboard without any form of protective clothing despite the presence of considerable amounts of asbestos dust.

Mr CARL SCULLY: If that is the case that is of great concern. It is a serious matter. I would expect the director-general to take that up with WorkCover tomorrow morning.

Ms SYLVIA HALE: How does the corporation respond when it receives a complaint about disturbed asbestos?

Mr CARL SCULLY: Perhaps I will get the director-general to deal with that.

Mr BARNES: We would have a protocol in relation to that. If it is a matter in relation to a contractor, we would then have our officers go out to inspect the work to see if it is being conducted in accordance with safe working practices under the Occupational Health and Safety Act. If it is not, we would report it to WorkCover or pursue our rights under the contract and take it up with the head contractor.

Ms SYLVIA HALE: What have you done to investigate concerns about disturbed asbestos in public housing across the State, particularly at sites including Bulli, Bellambi, Woonona, Maroubra, Chifley, Coogee and Malabar?

Mr CARL SCULLY: As I said, I have not had any particular things brought directly to my attention but the department has protocols, which I expect them to implement. If they are sites where things have not been managed in accordance with those protocols, that is of great concern. But I would have to have those investigated. I cannot respond to those immediately.

Ms SYLVIA HALE: It is my understanding that a whole series of documents were provided to your office in Governor Macquarie Tower in early March of this year. You have no knowledge of those documents having reached you?

Mr CARL SCULLY: I am not aware of the issue. If you have examples of where removal or presence of asbestos has not been dealt with properly, that is of concern, and I expect the department to get to the bottom of it, probably tomorrow or by the end of this week.

Ms SYLVIA HALE: You say that you are not aware of asbestos dust in public housing in Wauhope Crescent in south Coogee?

Mr CARL SCULLY: Not particularly. That does not mean documents may not necessarily have been forwarded to me or my office, but I am not aware of that being particularly brought to my attention.

Ms SYLVIA HALE: I must say I am surprised in view of the documents that were delivered to your office and the ongoing litigation between your department and an affected tenant. Are you aware that on 17 March, WorkCover NSW detected in units at the housing block at Wauhope Crescent, south Coogee, three types of asbestos: amosite, crocidolite and chrysotile? Are you aware that the Occupational Health and Safety Act names these three types of asbestos fibres as the most carcinogenic of the lot?

Mr CARL SCULLY: I do not doubt your statement that they are carcinogenic. I am not aware of the details of that claim. You have to bear in mind that any Minister's office—and mine is no different—receives thousands of documents every year. I accept that it has come to my office, as you allege. But that does not necessarily mean that it was brought to my attention. Not every single piece of paper that comes through my office is actually physically presented to me. I take home every night and every weekend usually suitcases full of documents, but it is only a very small percentage of what actually comes through the office. I would expect that if something of that nature came to my chief of staff or my senior housing adviser, it would go direct to the department and the department would manage it. Perhaps the director-general can answer if he is aware of any of these matters.

Mr BARNES: I am not aware specifically of those matters. But that is not to say that we would not be, as the department, pursuing them through our normal channels and processes and taking that up with WorkCover, and those would be matters for which WorkCover would have a responsibility, under the Occupational Health and Safety Act, to pursue directly with the contractor.

Mr CARL SCULLY: You are giving an impression that something untoward has occurred and that has not been properly managed. I think that might be an unfair presentation until I have ascertained the facts and had an opportunity to respond to what you have raised.

Ms SYLVIA HALE: I am more than happy to table these documents and make them available to you.

Mr CARL SCULLY: That is one side of a case. You understand that there are always two sides to a story. You have put a story here tonight which has suggested that something untoward is occurring. I think we have to have an opportunity to examine that and then respond.

Ms SYLVIA HALE: I bring to your attention a number of documents. One is dated 10 March 2004 from Right-Way Electrics, which says: "Note: asbestos is present in all. Switchboard should be removed to extend cable for stove". That relates to a report dated 27 January of this year from an approved contractor of EnergyAustralia who, in his handwritten report, says "NOTE: asbestos is present in all. Switchboard should be removed!" I table that document.

Document tabled.

Minister, I suggest that in fact that document was made available to your department. If you care to comment on any of these matters, please do so.

Mr CARL SCULLY: Finding the presence of asbestos in sites, whether government or non-government, in Sydney or anywhere in New South Wales, is unsurprising. What matters is actually what happens after it has been detected and whether protocols are followed for its removal or its treatment. I am happy to respond. I need that investigated.

Ms SYLVIA HALE: I table the document that shows asbestos dust on a switchboard that is not inside a particular unit but is in a corridor which residents of the block need to access if their fuses blow.

Document tabled.

Mr CARL SCULLY: That is of concern to me if that is the case. Obviously, we need to deal with it.

Ms SYLVIA HALE: This document is dated 30 March, which is a specification for a bathroom renovation from Dennis J Wright Pty Ltd. The second point he makes is "asbestos ceiling to be removed by others. Note: ceiling must be removed in accordance with Australian standards prior to any work being done." I also table a report of the analysis for asbestos in bulk samples from WorkCover NSW, which indicates the presence of those three types of asbestos to which I referred.

Documents tabled.

Mr CARL SCULLY: How long have you had this material?

Ms SYLVIA HALE: I have probably had it for about 10 days but I believe your department was warned of the presence of asbestos as early as August last year.

Mr CARL SCULLY: Always feel free—I have good working relationships with most members of Parliament. If you ever have those sorts of concerns again, bring them to my attention immediately and they will be investigated.

Ms SYLVIA HALE: I find it extraordinary that I, as a member of Parliament, can get an immediate response when one of the people involved with this has been engaged in litigation for months with your department, which is denying responsibility and denying even the presence of asbestos. Why can I get an instantaneous response but a member of the public cannot?

Mr CARL SCULLY: Part of our democracy works on members of Parliament representing and advocating causes for their community and I respond to any member of Parliament who brings concerns to me that have been brought to their attention. It is very hard, unless you go through that filtration process in a democracy, to hear every complaint from every citizen. I would love to hear them. A lot of injustices and things occur that should not that I would like to have brought to my attention, but it is much more effective if you go through the filtration process of members of Parliament. If you ever have that situation again, please feel free to bring it to my attention and I will deal with it expeditiously.

Ms SYLVIA HALE: You say that if the department is informed it will immediately follow the correct process. I show you a photograph of a departmental officer, who was sent out by the Department of Housing to inspect this raw asbestos section cut from the ceiling of the bathroom of a particular unit. I refer you also to the fact that the department engaged workmen to work on the switchboard to which I referred earlier. Those contractors were not registered to handle asbestos in any form, as required by the Occupational Health and Safety Act. They did not wear any form of protective clothing and, in fact, swept up the asbestos. Despite the department sending out its inspectors and despite them sending out someone to work on this switchboard, the asbestos still remains in the switchboard.

Mr CARL SCULLY: You have made quite serious allegations. Asbestos treatment is a very significant issue that must be dealt with with sensitivity and properly. If there are processes in the Department of Housing and its contractors that are not properly dealing with this carcinogenic substance, that needs to be dealt with quite strongly by me. You have my assurance that if what you said today is accurate, I will deal with it most strongly. But allow the department to investigate it. More often than not in this game allegations are often only partly true, and sometimes not true at all. If what you have said is correct, and processes have been botched and responses have been inappropriate, it will be dealt with. Once the ball gets thrown over the net one has to have an opportunity to see whether it should be lobbed back.

CHAIR: Are you tabling both those photographs?

Ms SYLVIA HALE: Yes.

Photographs tabled.

The Department of Housing has sent people out to work on the switchboard to which I have referred. I have a south Coogee newsletter, which says "this means they will have to do work on the switchboard before they can turn the lights on". It is quite clear that the department has been working on the switchboard. Do you know that the Occupational Health and Safety Act requires that warning notices be put up where asbestos is present so that contractors and other people, tenants and whoever, can be warned that asbestos is present at a site? I have seen no evidence of any signs being put in place?

Mr CARL SCULLY: You have shown photographs tonight that I have not seen. You have made allegations about certain things occurring or not occurring at sites that I am not aware of. I can just tell you what I have said. My standard response is that these are most serious matters, which I will treat with the utmost diligence. I will get to the bottom of it and you will have a response.

Ms SYLVIA HALE: Where you become aware of the presence of asbestos are you undertaking to put appropriate warning notices in place?

Mr CARL SCULLY: That is required under the Act, of course.

Ms SYLVIA HALE: It seems not to have happened to date, so it is nice to have your assurance that it will happen from now on.

Mr CARL SCULLY: But you do not need to save these matters for estimates hearings. You can bring these sorts of things to my attention as soon as they come to your attention.

Ms SYLVIA HALE: Minister, these were brought to my attention by someone who has been engaging in litigation with the department, and the department has consistently denied the presence of asbestos, and where it sent out its own inspectors to inspect the work—and we have a photograph of one there—the department also has refused to make available the results of those inspections.

Mr CARL SCULLY: I will have it examined. I am not familiar with the case. I could have given you a more expansive response. This is the first I have heard of this.

Ms SYLVIA HALE: Might I say that the person engaged in this does not have any power into her kitchen, so she does not have a usable stove and she has not had a stove for four years. Her awareness of the presence of this asbestos came about because, after repeated requests to the department to get the stove wiring installed, she found she could not get an electrical contractor to do it because he would not touch it until the asbestos had been removed. Now, four years down the track, this woman is still without a stove.

Mr CARL SCULLY: If that is correct, that is someone who has fallen beneath the cracks, and that is unfortunate and unacceptable. That is why people come to members of Parliament. I am pleased that she has finally found you.

The Hon. EDDIE OBEID: Point of order: It has been the procedure with estimates committees that Ministers are asked questions on policy issues. The Minister has stated quite clearly that there are protocols in place. The honourable member has referred to a particular case. She seems to be aware of some allegations. She is putting questions to the Minister, who has no knowledge of the particular case. It is very unfair of the member to keep asking questions on that basis. Other estimates committees have not allowed that type of questioning to continue. This is an important issue, and the Minister has said there are protocols in place. The head of the department has said there are protocols in place. The member is entitled to ask what those protocols are. But to continue with her questioning and badger the Minister about a particular case that both the head of the department and the Minister have no knowledge of is wasting time. As far as I am concerned, the questioning is out of order.

CHAIR: There is no point of order. Estimates hearings can consider the implementation of protocols and policies, and if one particular member wants to ask a lengthy series of questions on one topic, that is the member's entitlement.

Ms SYLVIA HALE: Minister, here we are looking at one block of units. I understand asbestos is present in bathrooms, in the top levels and second storey of this block of units, and in gutters, which are broken. We also have instances of asbestos being removed and dumped in the garden. What policies or measures is the department taking to investigate the presence of asbestos in public housing?

Mr CARL SCULLY: It would probably be best to ask my director-general to deal with the question.

Mr BARNES: As I mentioned before, there are in place practices for dealing with those particular matters. The department would have a general knowledge of where asbestos may be present, and would have a specific knowledge if work is being done in locations, units or buildings and the like. Then, if contractors are called in to address that work, it is the responsibility of the contractor, in terms of the contract requirements we have with that contractor, to obey the usual safe working practices required under the Occupational Health and Safety Act. Those are the protocols that we require in terms of our contracts.

Ms SYLVIA HALE: Minister, in November 1999 the department produced a newsletter called "*Your Home: the newsletter for public housing tenants*". The heading of one particular article is "Changing the way we do maintenance", and the article then reads in one part "Broadly, there are two categories of maintenance." The first is "Health and safety issues: All those which will lead to substantial further damage will be repaired within 24 hours or 7 days." Does that protocol still exist in relation to complaints about asbestos?

Mr BARNES: That is five years ago. There has been a significant review of our protocols and our response times to particular maintenance issues. We have in place now arrangements which are called R1 and R2 for responses, which are 4 hours for R1 and 24 hours for R2, and then planned works are scheduled over a longer period of time, depending on the specific works. In relation to R1s and R2s, an assessment is made as to the urgency of those works, and they are responded to accordingly within their time frames.

Ms SYLVIA HALE: Into which category would complaints about disturbed asbestos fall? Would it be R1 or R2?

Mr BARNES: I would expect they would be an R1, which would then require a response within four hours if it is disturbed asbestos. If the asbestos is not disturbed, I think it would then fall within a 24-hour time period.

Ms SYLVIA HALE: Minister, would you be able to provide the Committee with the amount of money that the corporation has spent since 1 July 2003 in litigation regarding complaints about asbestos?

Mr CARL SCULLY: I will take the question on notice.

The Hon. DON HARWIN: Minister, I quote briefly from policy on your web site in relation to public sales and then ask a question about a specific instance:

Vacant homes may be sold to members of the public if the homes are no longer suitable for public housing. We may also sell community and commercial properties that we own from time to time. Sales to the public are by public auction through a real estate agent. Agents are chosen by competitive tender. Private treaty one-to-one sales are only considered in exceptional circumstances and need the approval of the Director-General.

Given that the sale of public housing units to the public must be by public auction, can you confirm that nine three-bedroom and four-bedroom townhouses, located at Kista Dan Avenue, Tregear, did not go to public auction earlier this year?

Mr CARL SCULLY: I am not familiar with that site. I will have to take the question on notice.

The Hon. DON HARWIN: Is the director-general able to help with that? Because, if in fact it did not go to public auction, he would have had to give approval, as I understand it, based upon what is in your policy.

Mr CARL SCULLY: Are you suggesting something untoward occurred?

The Hon. DON HARWIN: No. I am just asking a question about whether these particular properties went to public auction earlier this year, before I ask a follow-up question.

Mr CARL SCULLY: I would have to take the question on notice.

The Hon. DON HARWIN: Mr Barnes, are you able to help?

Mr BARNES: I do not have any recollection of that particular location, and I would need to give you a reply on notice.

Mr CARL SCULLY: But, if you are alleging anything untoward, I would certainly like the details and will have that investigated.

The Hon. DON HARWIN: I will not make a specific allegation until I have the answer to the question, because that will assist me in deciding whether I will go further.

Mr CARL SCULLY: If you have any evidence of anything untoward, you should bring it to the attention of the appropriate authority.

The Hon. DON HARWIN: Minister, is it true that the Department of Housing began renovations in a block of 40 townhouse villas at 30-32 Winsford Avenue, Hebersham, late last year?

Mr CARL SCULLY: I would have to get advice on that. I mean, we have a budget of over \$1 billion and we spend hundreds of millions of dollars on capital and maintenance. You have picked one particular site. We have 130,000 units of accommodation. You could spend 15 hours asking me about each particular site. I am not in a position to answer the question. I would have to take it on notice. I am not avoiding the question or being vague. It is just a question of reality. I cannot be expected to be familiar with each unit and what is happening to it.

The Hon. DON HARWIN: No. But this is a particular property that has attracted some media interest, and therefore I do not think it is unreasonable of me to expect you to be briefed on it.

Mr CARL SCULLY: What is the contentious aspect of it?

The Hon. DON HARWIN: Can you confirm that renovations done on that block of 40 townhouse villas were done approximately six months before the demolition of those 40 properties?

Mr CARL SCULLY: I am not aware of that.

The Hon. DON HARWIN: Minister, you say you are not aware of it. Are you able to assist the Committee by taking the question on notice and providing an answer?

Mr CARL SCULLY: I am happy to take it on notice. You have suggested that money has been expended on a site and then the site has been demolished, and that funds therefore have been wasted. Obviously, I am more than happy to have that investigated and respond.

The Hon. DON HARWIN: Director-General, do you have no information that you can help the Committee with right now?

Mr BARNES: No, not at this moment.

The Hon. DON HARWIN: Minister, I have just received some further information in relation to the Tregear matter I was asking you about.

Mr CARL SCULLY: Has someone written a question for you?

The Hon. DON HARWIN: No, no-one has written a question.

Mr CARL SCULLY: Brogden's office. That is okay. You can't prepare your own questions.

The Hon. DON HARWIN: In relation to the nine townhouses that I was referring to at Kista Dan Avenue, Tregear, can you confirm that those townhouses were sold for \$930, 000, or an average of \$103,000 each, over dinner in the Log Cabin Restaurant in Penrith? Why were those townhouses not publicly auctioned? Did the director-general approve this one-on-one sale?

Mr CARL SCULLY: That is a bizarre allegation, suggesting some strange process of sale, and if it is correct that may well have to go to appropriate authorities. If you have information that something serious has occurred here, you should not be sitting on it for an estimates hearing. It should be forwarded to the appropriate investigating authorities.

The Hon. DON HARWIN: Minister, if a particular townhouse or group of townhouses were not sold in accordance with the policy of the department, and if it is basically concerns revenue coming into your department, and if the information I have received is correct and they were sold well below the market for three- or four-bedroom townhouses in Tregear—which you might reasonably expect would be up around \$200,000 to \$250000, I am advised, in terms of the market costs for those properties—the estimates hearing, I would have thought, is an appropriate time to ask you those questions. If they were sold by private treaty sale, as is the information that I have, that would have to have been specifically approved by your director-general, who is sitting next to you, and I would have thought he would have had a recollection of something like that.

Mr CARL SCULLY: My response to that is that, if what you say is true, then that is a matter the Opposition should have referred to ICAC. I would like to know how long the Opposition has been sitting on this before bringing it along to raise, as a stunt, in an estimates hearing. That is not an estimates matter. It is an allegation of serious corruption on the part of some unknown officer in the Department of Housing, details of which I am yet to ascertain. I am happy to have that investigated. But, if there is any whiff of corruption, it will be going off to ICAC faster than a shaft of light through cyberspace. I think it is appalling that you would sit on that, with a Minister for Housing manila folder sitting in John Brogden's office, waiting for my estimates hearing. Is that how you deal with corruption allegations? Shame on you!

The Hon. DON HARWIN: Minister, if you could give me an assurance, in the same terms you gave me previously, that you will take the question on notice and provide the Committee with an answer.

Mr CARL SCULLY: One thing I will say is that—

The Hon. DON HARWIN: Can I have the assurance, or can't I?

Mr CARL SCULLY: You have my absolute assurance that I will continue to do everything I can to make sure the agencies I am responsible for are as corruption-resistant as possible. No Minister can guarantee that acts of corruption will not occur from time to time. But, if any corruption has occurred, it will be investigated. It will be referred to ICAC and possibly the prosecutorial authorities of the State, and those public servants will be dealt with.

But to come along here and suggest that people are meeting in restaurants, selling properties way below market and you, yourself, have done nothing about it? I think shame on you. Why did you not bring that to my attention, or send it to the Commissioner of the Independent Commission Against Corruption, or send it to the police? What were you thinking? You thought you would get a press run in the *Daily Telegraph* at my expense. That is a pretty poor way to deal with these sorts of allegations. That is not what this estimates process is about. We have investigative bodies that deal with corruption allegations. You do not save them up hoping to get a press release in the following

morning's newspaper. That is not how a member of Parliament should behave. If anything comes to my attention it is dealt with most promptly—straight to the ICAC. And that is how I thought you dealt with corruption. But let us hope these allegations are fair dinkum. I hope you have not bandied this around. I hope your research is solid and will stand up to an ICAC investigation. I hope it does. I suspect that Brogden's staffers have given you a question.

The Hon. DON HARWIN: I have put the questions on notice and I have asked for a response.

Mr CARL SCULLY: It sounds like you do not know too much about this and it has sat in John Brogden's office for a few weeks waiting for the estimates committee hearings. I do not think you know much about this. You have just read out the questions.

The Hon. DON HARWIN: How many public housing tenants are currently serving a gaol sentence?

Mr CARL SCULLY: I can take the exact number on notice, but I can say that if someone is sentenced to a period of incarceration we have a policy that they can apply to keep the tenancy for a period of three months at about \$5 per week and if they are in gaol for longer than three months then the tenancy is vacated. I think that is appropriate. I think if people are in prison for a short period we ought not, in a sense, doubly penalise them by denying them the public housing they were in. Short-term periods of incarceration, they keep their house; longer terms, they give them up. But I can come back with the actual number.

The Hon. DON HARWIN: If you are taking that question on notice could I ask for this information also to be provided: in terms of the public housing tenants currently serving a gaol sentence, in the case of each of those tenants how long has each of them been in gaol? I would be grateful for your response, which I presume you will also take on notice?

Mr CARL SCULLY: I am happy to take that on notice. I think what you want, if I am right in understanding the question, is the full details of those who are serving time who have their tenancies left vacant for them.

The Hon. DON HARWIN: Yes please.

The Hon. EDDIE OBEID: Are you suggesting their families get kicked out?

The Hon. IAN WEST: Are you talking about single parents?

The Hon. DON HARWIN: No, I am just asking a specific question in those specific terms.

Mr CARL SCULLY: I am happy to provide you with details.

The Hon. DON HARWIN: I have a number of other general questions.

Mr CARL SCULLY: Are you suggesting we should not do that? We should throw them and their families out on the street if they do a short term of incarceration?

The Hon. DON HARWIN: I am merely seeking the information in the terms that I asked it.

Mr CARL SCULLY: You are entitled to seek it and you shall be given it.

The Hon. DON HARWIN: Thank you. Has the department done a review of maintenance backlog and, if so, what is the current level of maintenance backlog? What is the Government's time frame for the eradication of the backlog?

Mr CARL SCULLY: Maintenance backlog has arisen over a very long and sustained period. In the seven years from 1988 to 1995 the previous Government spent about \$838 million on maintenance. We have spent about \$2 billion on maintenance in our 9½ years in government. But there is still a big backlog. It is in the order of around \$600 million. We have brought that down. We

have had an accelerated improvement program over the past three years that has reduced the backlog by about \$105 million. But, clearly, a lot more needs to be done. I am currently examining options for how that might be addressed, but that work has not yet been completed.

The Hon. DON HARWIN: Last year at estimates hearings you were able to tell us it was \$700 million. You have indicated that it has come down.

Mr CARL SCULLY: It has come down.

The Hon. DON HARWIN: Is \$600 million the actual figure or is it an estimate?

Mr CARL SCULLY: It is around \$600 million. I am happy to take that on notice to get the precise figure, but the accelerated improvement program has brought the backlog down about \$100 million.

The Hon. DON HARWIN: Last year you were also able to tell us that the time frame was nine years. Are you able to give an indication of that time frame tonight?

Mr CARL SCULLY: I regard that as unacceptable. Since our last chat I have been examining ways for dealing with the backlog. But the backlog would be a lot less if, when you were in government, you had done the right thing.

The Hon. DON HARWIN: Are you able to actually give an indication of the time frame, as I asked? Last year you were able to tell us it was nine years.

Mr CARL SCULLY: We are examining ways for dealing with that. That work is not yet completed.

The Hon. DON HARWIN: In other words you are not able to tell us what the time frame is, or you do not want to tell us what the time frame is, or has the time frame blown out and it is more than nine years now?

Mr CARL SCULLY: No, it is not that I do not want to. I can assure you that the time frame has not blown out, but I am examining options for dealing with what I regard as an unacceptable time frame of nine years or so. It needs to be brought forward.

The Hon. DON HARWIN: If I am correctly hearing you, you are indicating it is still nine years or so?

Mr CARL SCULLY: Until I have completed the work and presented it to my Cabinet colleagues, received the proper endorsements and then commenced implementation I have not got much I can tell you. But I can tell you I am very conscious of the backlog. I am conscious of the impact that has on families living in social housing. We need to do something about it. I do not propose to just sit back and let it take nearly a decade to be dealt with.

The Hon. DON HARWIN: You have made that point. Are you able to give me the time frame on when there will be a time frame? For example, when do you think it is likely the Cabinet will have considered the matter of when—

Mr CARL SCULLY: When the work is finished. One day you may be aware of Cabinet the process.

The Hon. DON HARWIN: I certainly hope so.

Mr CARL SCULLY: I hope that is a long, long time from now. Good luck.

The Hon. DON HARWIN: What was the estimated value of damage to public housing in 2002-03?

Mr CARL SCULLY: Damage from what?

The Hon. DON HARWIN: The estimated value of damage, all forms of damage, to public housing in 2002-03?

Mr CARL SCULLY: I am happy to take that on notice, but that is a broad question. Are you talking about earthquakes, cyclones, crime, vandalism, graffiti?

The Hon. DON HARWIN: I do not recall there being any earthquakes in New South Wales of significant dimension for the last 12 months. Last year you were able to help the Committee by telling us that the estimated value of \$6 million.

Mr CARL SCULLY: Can I ask you, are you talking about tenant damage or just damage?

The Hon. DON HARWIN: Just tenant damage.

Mr CARL SCULLY: About \$7 million.

The Hon. DON HARWIN: About \$7 million?

Mr CARL SCULLY: Yes.

The Hon. DON HARWIN: It is up \$1 million in the last financial year.

Mr CARL SCULLY: Terry Barnes will comment.

Mr BARNES: My recollection is that last year I think it was more than \$6 million, it was more like \$6.4 or \$6.3, something in that range. It is now approximately \$7 million.

The Hon. DON HARWIN: It has gone up by about 10 per cent in that case in terms of its value?

Mr BARNES: Approximately, yes.

The Hon. DON HARWIN: Do you have any explanation for why it has gone up?

Mr BARNES: No specific explanation. You have to keep in mind that these figures do vary from year to year. One cannot draw particular conclusions by just looking back at a particular year. It relates to a range of issues, such as tenant turnover, vacancy rates and all of those sorts of issues. There is no specific explanation.

The Hon. DON HARWIN: Thank you very much, Mr Barnes.

Mr CARL SCULLY: Bear in mind that is \$7 million on a rent of \$500 million and an asset value of \$25,000 million. While, yes, it is unacceptable, it is \$7 million more than I would like it to be. Please put it in context.

The Hon. DON HARWIN: Thank you for that clarification. I wonder if you would be able to help me by telling me how many tenants were evicted from public housing in 2002-03? I think last year you were able to help us by telling us 242. Do you have that figure this year, Mr Barnes?

Mr CARL SCULLY: I think it is in the order of 100 or something. Some 232 tenants were evicted, 188 for rental arrears. The balance was for nuisance, annoyance, illegal use of premises, et cetera.

The Hon. DON HARWIN: That is 188 of the 232—

Mr CARL SCULLY: Of the 232 evicted for rental arrears.

The Hon. DON HARWIN: What is the most recent available figure for unoccupied public housing dwellings?

Mr BARNES: We measure those by what we call our vacancy and board rates. Our vacancy and board rates have actually been coming down and their average is in the order of, from memory, around 40 days and that is a reduced figure from what it has been before on the basis that the department uses the opportunity for when there is a vacancy to carry out necessary repairs and improvement to particular homes prior to those being relet.

The Hon. DON HARWIN: How many public housing tenants were charged by the police for criminal activity in 2002-03?

Mr CARL SCULLY: If I am able to answer that I am happy to take it on notice, but it might be a matter that you will have to refer to the Minister for Police.

The Hon. DON HARWIN: How many people are on the New South Wales public housing waiting list?

Mr CARL SCULLY: About 80,000 households.

The Hon. DON HARWIN: It is approximately the same as at this time last year?

Mr CARL SCULLY: Approximately.

The Hon. DON HARWIN: What is the cost to Government of rental subsidies in New South Wales? If I could help you briefly, last year you were able to give me a per month average, or an average of a certain amount per month.

Mr CARL SCULLY: If I can understand what you mean, the rental we should get if we charged market rent would be about \$1 billion. We get about \$500 million. The imputed subsidy is about \$500 billion. That is about right.

The Hon. DON HARWIN: How many complaints did the department receive regarding tenants subletting their properties in 2003-04?

Mr CARL SCULLY: I will have to take that on notice. We do get some complaints from time to time. I might say they are difficult to prove. I have certainly had a small number brought to my attention and I have had them investigated.

The Hon. DON HARWIN: Small number?

Mr CARL SCULLY: Only a small number that has been brought to my attention. I have passed them on. But they are difficult to prove. I do not know whether—

Mr BARNES: If I can just add that we do have some complaints. They are difficult to substantiate. But we have processes where, through our business management unit, these matters are taken seriously. They are properly investigated. If required we will engage an independent investigator to conduct appropriate investigations and if there are issues in relation to fraud will have those appropriately reported to the ICAC.

The Hon. DON HARWIN: I wonder then, given that you have had those complaints, if you could briefly indicate how many people have been investigated for subletting in 2003-04?

Mr CARL SCULLY: I will take that on notice.

CHAIR: Government members?

The Hon. EDDIE OBEID: The Government has no questions.

Ms SYLVIA HALE: Given that New South Wales has a comparatively lower proportion of public housing stock in regional areas than other States, for example 19.4 per cent compared to 28.2

per cent in Victoria or a national average of 26.6 per cent, can you please advise how many of the 1,413 public housing stock reductions in 2004-05 will occur in regional New South Wales?

Mr CARL SCULLY: I will take that on notice.

Ms SYLVIA HALE: Can you tell me how many households are on the public housing waiting list register in regional New South Wales?

Mr CARL SCULLY: I will take that on notice.

Ms SYLVIA HALE: How many of the community housing and Aboriginal housing stock leasing or management additions will be provided in regional New South Wales?

Mr CARL SCULLY: I will take that on notice.

Ms SYLVIA HALE: Some questions with regard to Minto. At the Minto public housing estate approximately 89 homes have been destroyed and more than 300 people have been displaced. Have these homes been demolished without an up-to-date master plan for their replacement being in place? Why have the demolitions taken place based on the draft master plan that fails to set out details of when replacement homes will be built?

Mr CARL SCULLY: That is a process that commenced before I became Minister for Housing and I think if I were to start from day one with it I probably would do it differently. We are going through the master plan process at the moment, and that work has not yet been completed.

Ms SYLVIA HALE: When do you anticipate that being completed?

Mr CARL SCULLY: I would think in the next several months.

Ms SYLVIA HALE: Sorry?

Mr CARL SCULLY: Probably in the next several months.

Ms SYLVIA HALE: Several months?

Mr CARL SCULLY: The first quarter of next year.

Ms SYLVIA HALE: When do you estimate that replacement housing will be built, or that depends upon your assessment?

Mr CARL SCULLY: It depends on the master plan and the yield from redevelopment and to what extent that might finance social housing that can go into redeveloped community. We cannot really answer that until that is done. As I said, I would prefer to have done it differently. I inherited that process and, on reflection, it might have been done a bit better, but I have to work with what I have.

Ms SYLVIA HALE: In what respects do you think it might have been done better?

Mr CARL SCULLY: I think these things should be master planned first before you go down that sort of path, but both Terry Barnes and I have inherited a process. It is not necessarily a wrong process; it is just that my experience is that you get your zoning, your master plan, and you do all that sort of thing first. Others have different approaches.

Ms SYLVIA HALE: But the reality for the tenants is that the houses are being demolished and more than 300 people have been displaced, which is hardly a fortunate outcome, is it?

Mr CARL SCULLY: Not all—some.

Mr BARNES: Just to put the record straight in terms of your comment about people being displaced—the process that the department has is that those people have been relocated to other

homes, and that has been done through a process of negotiation. It is in accordance with our policy. The issues of relocation are covered in terms of the cost of relocation, and the department has been undertaking a consultation process with tenants. As recently as three weeks ago a person went and met with the tenants at Minto and went through any particular issues they may have and discussed with them a consultation plan and proposals in terms of dealing with their local government, the Campbelltown City Council, in respect of further development of the master plan. I would not want the record to be left so that it appears that the department has been less than totally dedicated to trying to bring about a result—

Ms SYLVIA HALE: Sure.

Mr BARNES: —and being involved in proper consultation, and giving appropriate consideration to relocation for those tenants where houses were demolished.

Ms SYLVIA HALE: Can you provide the Committee with an estimate of the total cost of the redevelopment? Are there any projections?

Mr CARL SCULLY: No. Your master plan determines your yields, and that then determines the level of investment, and from that you back-pedal to how many of those units can be public housing. Until we finish the master plan process and tick off just how many units we are able to build there, we cannot tell you exactly what it will cost and what therefore will be the proportion allocated to social housing.

Ms SYLVIA HALE: Minister, will there be any net loss in overall public housing in Minto as a result of the redevelopment?

Mr CARL SCULLY: I cannot answer that at this stage until we have finished the master plan.

Ms SYLVIA HALE: You have no idea at this stage? Can you tell the Committee the nature of the work that Paul Gilbertson has been contracted to perform for the department?

Mr CARL SCULLY: Paul Gilbertson has been engaged to provide advice and work for the Department of Housing on urban renewal for estates in western and south-western Sydney. I think I talked about this last year—about the fact that I think that some of these estates are so run down they are in need of renewal and rebuilding. The Radburn style of building estates is shameful, where you have 100 per cent of social problems and difficulties all in one community. It has created bastions of crime and vandalism and social misery. What I want to do is rebuild communities. I want to get away from estates and perhaps get down to 20 or 30 per cent of social housing. I have brought him on. He has some experience out of the Olympics. He is very, very good at public and private sector partnerships.

What we are assessing is the possibility of using land value to increase the yields to put tenants in these communities back in brand-new homes that any member of Parliament and his or her family would be happy to live in. That is the test that I have been giving the Department of Housing—never again build anything that you yourselves would not be happy to live in. He has a small team within the Department of Housing doing that work. We are a fair way away from completing that work. Even if all the 13 estates in south-western and western Sydney got developed, we are still only talking about a small percentage of the 130,000 households that we are housing in social housing. But probably the larger percentage of misery that a lot of these communities suffer is actually in these estates of 800 or 1,000 dwellings.

Ms SYLVIA HALE: Minister, you referred then to public and private partnerships. If the private sector declines to be involved in such a partnership as Minto for the construction of public housing, what plans will the department have, do you think, to build replacement housing?

Mr CARL SCULLY: Well, if I won Lotto, how am I going to spend the money? You can have ifs and hypotheticals until the cows come home. We are doing the work. We are doing the master planning. Yes, you can get disappointed in tendering processes. There can be shortfalls where the Government has to top up.

Ms SYLVIA HALE: But will you give a guarantee that if the private sector does not come to the party, the Government will undertake to rebuild and replace the housing?

Mr CARL SCULLY: I cannot speak on behalf of the Treasurer. It is a process.

Ms SYLVIA HALE: I am sorry?

Mr CARL SCULLY: I cannot speak on behalf of the Treasurer, and I doubt that he could answer a question like that. If I can explain the Cabinet process: You get tick-offs as you proceed to assessment. You go through the process of planning approval and tender, and if you are not as successful as you would like, and you still, as a Minister, wish to proceed and there is a shortfall, you have either got to reprioritise your programs or, if you cannot do that, you go to the budget committee and seek supplementation to make the deal work. Now, I have done both over my nine and a half years, but it has to be done on a case-by-case basis. I would never say, "If X does not happen, I will guarantee Y." What I will say is that Minto needs to be redeveloped. We are keen on pursuing it, but we are a way off yet. That is a hypothetical. I just do not think that we get anywhere with "If this", "If that". As I say, if you won Lotto, how would you spend it?

The Hon. DAVID OLDFIELD: I have a list, actually.

Ms SYLVIA HALE: Just turning to a slightly different issue, could you inform the Committee what the budget is for the Crisis Accommodation Program in 2004-05?

Mr CARL SCULLY: I had the figure 17 in my head, but I am sorry, that is wrong. It is \$17.154 million.

Ms SYLVIA HALE: Will any allocations be made to non-capital expenditure under the Crisis Accommodation Program in 2004-05? If so, what are the specific activities, costs and amounts allocated?

Mr CARL SCULLY: I will take that on notice. We will give you the details.

The Hon. DAVID OLDFIELD: What is the current value of the State's public housing?

Mr CARL SCULLY: Across New South Wales, \$25 billion.

The Hon. DAVID OLDFIELD: How often is that valued?

Mr CARL SCULLY: From time to time. The latest property boom probably added another \$2 billion or \$3 billion. There is an opportunity for public and private partnerships but, you know, the unfortunate thing is that we have huge assets and not enough income. The Commonwealth Government is declining its allocations and we do not have the rent roll that you think you would have managing a normal rate market.

The Hon. DAVID OLDFIELD: Yes.

Mr CARL SCULLY: We are the landlord of last resort. We have land worth a lot, some homes worth a reasonable amount, but many, many, many homes that are not worth much at all.

The Hon. DAVID OLDFIELD: What is the range? What is the low range up to the high range of what the homes are worth—clearly with the understanding that they are all over the place?

Mr CARL SCULLY: Obviously some of the homes around Woolloomooloo and Millers Point can be worth significant sums—I am happy to come back to you with the full details—and we have got homes that are worth almost nothing and are hardly worth demolishing.

The Hon. DAVID OLDFIELD: I imagine that is especially in regional locations; there would be a lot of that?

Mr CARL SCULLY: And in urban areas. You might have a 35 to 40-year life cycle for homes and you demolish and then rebuild them. Others are worth a lot of money. The question I obviously get, which is I think where you are leading to, is, "Well, why do you not turn them over and perhaps sell them and house people in the western suburbs?" It is a balancing act, David. You have got people in areas who were housed cheaply—in Woolloomooloo, for example, and Millers Point—before those properties became very valuable. Do you say about those suburbs that only the well heeled and the rich should live in them and there is no place for social housing? Do we say to those tenants that the homes that they have lived in for 20 or 25 years should be taken from them and that they will be sent hither and thither because of an equity argument?

The Hon. DAVID OLDFIELD: Some people considered to be hard might feel that way.

Mr CARL SCULLY: It is about balancing. I can understand the case, but it is balance between saying, on the one hand, that because a property that someone has lived in is suddenly worth a lot more, they should be moved out—and I think that is overly harsh—or that we should identify properties where we can do that in a socially acceptable way and finance. An example of that is in western Sydney, where there are rundown communities and where the yields could be increased by using the value of the dirt and getting the private sector to finance renewed homes. That is a good case. People might say, "Hold on a minute, we like the open space here. There is more room", and I would say, "Well, hang on a minute", and we would have to consult closely with them. But with some of the more valuable ones, I start with the following premise: Just hold on a second here. Should they be turfed out, remembering that when these places became social housing they were places no-one else would live in? There has been a huge change over the past 20 or 30 years.

The Hon. DAVID OLDFIELD: What is the percentage of tenants who are on welfare?

Mr CARL SCULLY: Eighty-nine per cent of our tenants are on welfare, and 11 per cent are what we would call low income working families that pay market rent, but not market rent as you and I would understand it. It is still a percentage of their income, but it is just a fair bit more than what others pay.

The Hon. DAVID OLDFIELD: Seeing as you have offered, would it be possible for us to get a more specific understanding of value, especially at the high end, and descriptions—whether they are homes or apartments, and maybe locations? Can we get a bit of a cross-section? I am not asking for that for 130,000 dwellings.

Mr CARL SCULLY: I am happy to provide that.

The Hon. DAVID OLDFIELD: Could you provide a bit of a cross-section of the upper end, style and location?

Mr CARL SCULLY: I am happy to provide that. I hope that Nick Greiner does not mind me verballing him but I ran into him the other day and he said, "Carl, even I balked at doing the Woolloomooloo." I had a chat with him and he recognised the problem and the equity argument—that there is value there, so do you shift that value to western Sydney communities and house more people, or do you leave them there because it has been a housing sector for socially deprived people for a long time? It is a balancing act. It is a judgment call.

The Hon. DAVID OLDFIELD: Yes, I understand.

Mr CARL SCULLY: I am not saying that I have necessarily got the right answer, but I am sympathetic to leaving people where they are, even though they are on valuable sites like that. That does not mean that you would rule it out forever, but I have no particular plans to approach that next week or next month. I am happy to provide you with that information, and I know that you would use it in the responsible way that you usually do.

The Hon. DAVID OLDFIELD: Thank you, Carl.

Mr CARL SCULLY: If Mr Harwin were asking for, it might be a different matter.

The Hon. DON HARWIN: Mr Harwin might well be asking for it, after I ask you this question, Minister. Do you feel you have a good grip on the Housing portfolio?

Mr CARL SCULLY: Is that a serious question?

The Hon. DON HARWIN: It is a serious question.

Mr CARL SCULLY: Can you repeat that?

The Hon. DON HARWIN: Minister, do you feel you have a good grip on the Housing portfolio?

Mr CARL SCULLY: That is the one-two punch. What is the second part?

The Hon. DON HARWIN: Earlier this year, 10 months after you had taken over the Housing portfolio, did you instruct the director-general to ask his office to undertake a review of briefing notes for you so that they could be easily understood by someone unfamiliar with the subject matter and for readers who were new to the subject matter?

Mr CARL SCULLY: No.

The Hon. DON HARWIN: Minister, I will table and perhaps provide you with a copy of a memorandum that was sent to all executive directors from Terry Barnes, the director-general, where he makes a number of specific requests. Can I ask whether you understand the common acronyms used within the Housing portfolio, or are senior staff still required to assume that you are unfamiliar with acronyms and abbreviations when preparing briefing notes for you?

Mr CARL SCULLY: Now you can explain what this note really means. Yes, I am happy to tell the Parliament.

The Hon. EDDIE OBEID: We would like to know.

Mr CARL SCULLY: Yes. The Hon. Don Harwin does not quite give an honest presentation. Ladies and gentlemen, I had a briefing note from the department. I recall that it was about four pages in length and there were about 10 acronyms in it, four of which were not defined. It is a bit hard, as Minister, if there are acronyms undefined and I do not know what the department is talking about. So I told the director-general that I did not want any more acronyms in briefing notes.

The Hon. IAN WEST: You would be incompetent if you did not ask for that.

Mr CARL SCULLY: Well, when you get the ABC of the DEF of the XYZ of the IRS or the NBC, you have got to be kidding. I got pages and pages of acronyms and I thought, "What on earth are you talking about?" So to jargonistic public servants who have their "speak" that they all engage in, I said, "Don't use it in the language that you put up to me."

The Hon. IAN WEST: If you did not ask, you would be a BUM!

Mr CARL SCULLY: Yes. So I said, "You have to be kidding!"

The Hon. DON HARWIN: Thank you for your answer.

Mr CARL SCULLY: Do you think I should have acronyms that are undefined? It was a beauty; four pages with 10 different acronyms, and four undefined. I said, "Terry, you've got to be kidding!"

The Hon. DAVID OLDFIELD: Mr Barnes, I expect you have a car, but do you have a driver?

Mr BARNES: The car is part of my package, for which I pay a lease fee.

The Hon. DAVID OLDFIELD: But no driver?

Mr BARNES: No.

CHAIR: The Committee will deal now with the Roads portfolio.

Ms SYLVIA HALE: Minister, are you aware that if the Minister for Transport Services fails to spend \$150 million on the upgrade of 15 branch lines that carry hundreds of thousands of tonnes of grain each year grain will be moved by trucks, and that will result in thousands of truck movements on narrow one-lane country roads?

Mr CARL SCULLY: Not necessarily thousands. It will result in increased truck movements. The advice I have received is that it certainly will not have catastrophic impacts on the quality of the bitumen, but those issues need to be worked through. At my request the Roads and Traffic Authority [RTA] has established with the Ministry of Transport and Rail a working group to make sure that any impacts on local, regional or State roads are fully taken into account.

Ms SYLVIA HALE: Minister, are you aware that if the 15 branch lines are not repaired, the millions of tonnes of grain that were once moved by rail will require 79,000 extra semitrailers to be on New South Wales country roads each year?

Mr CARL SCULLY: I do not know whether that is necessarily correct.

Ms SYLVIA HALE: But you will examine that figure?

Mr CARL SCULLY: It will result in increased truck movements. The advice I have received from my Director of Road Maintenance, Michael Bushby, is that the impact on the quality of the road pavement will not be significant. But that is something that needs to be taken into account. Decisions should not be made without taking into account the possible impact on the cost of maintaining roads by councils and by the RTA. I have put in place a process where that is happening.

Ms SYLVIA HALE: But you realise the urgency of this situation, given that the grain is being brought in and needs to be transported. We are approaching the school holidays and that is a particularly perilous time when many more trucks will be on the roads as well as people on vacation. I bring to your attention the crisis that is coming to a head at Gwabegar, where there are 50,000 tonnes of last year's grain crop stranded in nine wagons on the broken rail track. As the Minister for Transport Services appears set to refuse to repair the line, and as the Rail Infrastructure Corporation has actually allocated no money for the repairs, the grain will have to be moved by trucks. Will you give a guarantee that if the stranded 50,000 tonnes of grain and the 100,000 tonnes of grain expected from the bumper crop from around Gwabegar cannot be moved by rail, that you will allocate money to upgrade the roads that the grain will be transported along? Will you give a guarantee that you will allocate it very quickly?

Mr CARL SCULLY: We are working with Rail and the Ministry of Transport to take proper account of any impact on road maintenance. As I said, my maintenance experts tell me, certainly as far as State roads are concerned, that it will not have a significant impact, and may well not have a significant impact on local and regional roads. That assessment has not yet been completed.

Ms SYLVIA HALE: Are you saying that there is no allocation in the budget to upgrade country roads when vehicular traffic on them increases drastically?

Mr CARL SCULLY: There has not yet been any final decision on the closure of those rail lines, although I am familiar with the Gwabegar line. I know a section of it has been closed; I am familiar with it; I have actually seen it. But there has been no final decision from the Government on the balance of those lines or whether any funds may be hypothecated to the RTA or councils to deal with any particular damage.

Ms SYLVIA HALE: These days we hear a lot about an all-of-government approach. Do you have an all-of-government approach to the distribution of freight, or do the roads for which you are

responsible have to pick up what every transport Minister refuses to take responsibility for? Are you left holding the can?

Mr CARL SCULLY: It is quite appropriate for the Government, from time to time, to look at the cost benefits of what should be commercial operations. Those freight lines are highly subsidised. The current Minister for Transport Services is assessing that. My expectation, reasonably based I believe, is that before any decision is made to close them a proper account should be made as to the impact on the road network. Those discussions are unfolding and have not yet been completed.

Ms SYLVIA HALE: Minister, no doubt you would be aware of the difficulty the House had with the RTA when it came to presenting to Parliament the documents that were ordered to be tabled in relation to tunnel filtration?

Mr CARL SCULLY: I do not think we have given more information to the House on any issue than we have in relation to tunnel filtration.

Ms SYLVIA HALE: Are you aware of Sir Laurence Street's report on tunnel filtration?

Mr CARL SCULLY: I have not read his report.

Ms SYLVIA HALE: It might well worth your while doing so, because it hardly reflected credit on the RTA.

Mr CARL SCULLY: That is a bit rich!

The Hon. DON HARWIN: It is pretty fair, really.

Mr CARL SCULLY: No. The organisation, the subject of a production order, is entitled to make certain claims about privilege and concern about the production of certain documents. You have a process in place, and if the arbitrator of those claims says that none of the claims are well founded, fine. But the organisation is entitled to make the claims and have them assessed. If they are rejected, the documents are produced.

Ms SYLVIA HALE: Minister, I was not referring to the question of privilege or otherwise. I was referring to the fact that more than 1,500 sheets of paper were produced that had no index, no author, and a whole range of details. In fact, the papers had to be sent back to your department.

Mr CARL SCULLY: I am aware of that part of it. I understand the documents were filed in accordance with Premier's Department guidelines, not in accordance with Standing Order 52. Is that the standing order?

Ms SYLVIA HALE: Yes, Standing Order 52.

Mr CARL SCULLY: Yes. And when that was brought to the attention of the RTA it went to considerable lengths to correct it. The indexes were provided—end of story.

Ms SYLVIA HALE: Except your department must obviously have very slow learners, given that there have been numerous requests for documents and every other department has been able to comply in a satisfactory manner.

Mr CARL SCULLY: Fourteen boxes were provided within 10 days. But what is your point?

Ms SYLVIA HALE: My point is now to ask you a few questions about those documents. Could you explain why it took more than six months to release the RTA report on the trip by three departmental officers to Japan?

Mr CARL SCULLY: That trip to Japan was at the request of Lane Cove Municipal Council. It was quite a successful trip and formed the basis of a significant change in approach by the RTA. After the trip to Norway the view was that the jury was out, but after the trip to Japan, as you would now be aware, electrostatic precipitators have been put in place and they have commenced pilots and

trials to remove nitrogen dioxide. We made the decision to do our own pilot on a Sydney road tunnel and to make a decision to build filtration into our next major road project, the M4 East.

I think that trip was successful. And, by the way, Lane Cove council is not a den of socialism. The members of Lane Cove council are not all card-carrying members of the Labor Party. Lane Cove is not an area that Anthony Roberts would suggest is a den of our support base. I met with them, they raised concerns particularly about Lane Cove tunnel, and they said that I should send people to Japan. And we did. I made public statements in relation to that trip a long time ago.

Ms SYLVIA HALE: Minister, why does the RTA report misreport the findings of the Japanese trip as recorded by the RTA General Manager, Motorway Services, in the final report in relation to critical issues such as the reasons and benefits for installing filtration in Japan?

Mr CARL SCULLY: I do not accept that.

Ms SYLVIA HALE: Minister, if you would like to inform yourself better on the case, I can table the RTA report from Japan. I can table the notes that were made by the officers. And if you require it, I can table an analysis of how they vary.

Mr CARL SCULLY: The word "flawed" comes easily to the minds of some activists. Any document that does not necessarily agree with, or sit 100 per cent comfortably with, their position, is generally regarded as a flawed document. So if there is anything in the RTA's document that does not meet with their position, no doubt the word "flawed" will be offered by them.

Ms SYLVIA HALE: Minister, could you explain why Noel Child was prevented by the RTA from addressing issues such as the applicability of filtration systems to the M5 East cost effectiveness, and from making recommendations despite the fact that the conditions of approval required him to do so? Those conditions of approval were from the Department of Urban Affairs and Planning dated 9 December 1997 and updated conditions in August 2003.

Mr SCULLY: I am not aware of any conditions of approval that have not been fully complied with.

Ms SYLVIA HALE: I produce for your benefit an email from Peter Morris to Noel Child, which I will pass to you. It is the preliminary presentation by Noel Child. You will see in it that it has been struck through in several places and the preliminary considerations and conclusions have been eliminated. You might find that document instructive in forming your view about the advice that has been given to you by your department. Would you care for a copy of that email?

Mr SCULLY: I am happy to receive it. However, I am not sure where you are taking this issue. The trip to Japan occurred. I responded to new evidence and I made a decision that the next road tunnel would have full filtration. That was a major change in policy by the Government.

Ms SYLVIA HALE: I am suggesting to you that there is a significant divergence in the report. Three officers went but only one seems to have taken any notes. There are significant divergences between his notes, the Child report and the final report that was prepared by the RTA.

Mr SCULLY: I would have thought that the Greens would have been happy with my announcement that the Government was piloting a filtration project and that it was going to put filtration into the new road tunnel. I almost sense a disappointment that we have dealt positively and in an environmentally sustainable way with an important air quality issue. It is almost as though we have taken away a campaigning tool.

Ms SYLVIA HALE: No, I am concerned about the accuracy and reliability of RTA advice. If it can be documented in relation to this issue one wonders on how many other issues the Minister has been equally ill advised and ill informed.

Mr SCULLY: Do not dwell upon technicalities in different reports. Look at what this Government has done. It has moved forward and it has moved on. As Reagan said, "Always throw your golf club forward." Do not look at the past in an attempt to establish what might be in one report

or another. We made a decision based on new material and we have taken that issue forward. I would have thought that the Greens would have been saying today, "Minister, congratulations. That is a big tick for the Government."

Ms SYLVIA HALE: Given that both the RTA and the Child findings show that filtration systems meet the Minister's criteria, that is, they work, they are value for money and they are cost effective, what is the rationale for a filtration trial that addresses between 5 per cent to 10 per cent of only one tunnel? Why is there no provision for internal filtration in the new cross-city and Lane Cove tunnels, given that you stated in your March filtration announcement that that was the best and cheapest way of filtering a tunnel?

Mr SCULLY: That is a quadruple-barrelled question. The member assumes certain things that are not correct. I will try to answer that complex question as simply as possible. We are going through a process of selecting tenderers for a pilot project. No decision has been made, and nor should a decision be made, about where that pilot project should occur or in what part of the tunnel. That really depends on what is put to us. We want to ensure that the pilot project works effectively so that we can make a decision as to whether or not it works in Australian road conditions. Members have to remember that I am the first Roads Minister in this country who has actually made a commitment to put filtration in the next road tunnel. I am the first Roads Minister in the country to say, "We will pilot it in an existing road tunnel." But all that I get is a lack of appreciation from the Greens.

Ms SYLVIA HALE: I suggest that, given the extensive experience in both Scandinavia and Japan, officers in your department, and perhaps you, are remarkably slow learners in this matter? It is extraordinary that, after all this time, with the lack of visibility and the pollution that is occurring in the M5 East tunnel, only now are you responding to that crisis.

Mr SCULLY: Standards improve. The standards that apply to the cross-city tunnel and the Lane Cove tunnel are even tougher than the M5 East. In turn, the standards that apply to it were even tougher than the standards that apply to other tunnels that were built, such as the Sydney Harbour Tunnel and the Eastern Distributor. Standards are getting tougher and tougher. I do not think it is appropriate simply to say, "All right, there is a tunnel somewhere else in the world. You little beauty! Let us whack it in here." Little black boxes are not just sent out in a crate from Europe; these tunnels are significant and complicated pieces of engineering.

If we are to make a major decision relating to an existing tunnel, that is a significant question that has to be answered. It is a lot easier to build something into the planning approval process—for example, the design work that is going on along the M4 East, the conditions of approval and the tender process. All the players who are interested in tendering for the M4 East, if it were granted planning approval, would already be in the consortia and they would be taking into account the technologies that they would have to incorporate into their bids. It is a lot more difficult to retrofit that sort of equipment into existing road tunnels, whether they are under construction or they are already constructed. We need a pilot program.

Nowhere in the world are there fully operating filtration systems that take out oxides of nitrogen. Electrostatic precipitators deal with particulates but nowhere, other than Japan, is such a project being piloted. It is not even fully operational. So it is bizarre to expect me to jump to light speed on stuff that is not in an operational state. I will not do it. I want to do this in an appropriate way. I am confident that, because of the way in which technology is emerging, by the time the construction of the M4 East commences, technology would have matured to such a point that I would have confidence in saying, "We expect it to develop in such a way that we will have to put it in there." We now need to implement a pilot program to make sure it works before we make a decision about it. Information about the extent of the pilot, how much of the tunnel will be involved and which tunnel will be involved will all come out as a result of the tender process.

The Hon. DAVID OLDFIELD: Minister, you might remember me asking you this question on a previous occasion. I wonder what stage you have reached in relation to matters such as taxi gridlock on the Cahill Expressway, getting taxis onto e-tags, stopping them changing lanes and stopping them from going through tollgates to change amounts of \$50 and that sort of thing?

Mr SCULLY: We cannot expect taxis to have e-tags when there are multiple drivers.

The Hon. DAVID OLDFIELD: Is there another solution to this very real problem?

Mr SCULLY: There is no simple solution to the problem. It is tied up with the question of the expansion of e-tags on the bridge and in the tunnel itself and how that fits in with the cross-city tunnel when it is opened next year. We are currently in discussions with the operators of the cross-city motorway, the Sydney Harbour Tunnel and the Western Sydney Orbital. I have decided that it is more effective to do that in a holistic and integrated way rather than making one-off decisions about who should have more tags and who should not. Specifically in relation to taxis, it is just a little difficult. Taxi owners might have multiple drivers and they tend to be cash-based. It is not an insurmountable problem. We have loaded that sort of problem into the multiple problems of trying to develop motorways where there is no cash. It is not easy.

The Hon. DAVID OLDFIELD: It does not sound as though it is much of a problem, but anyone who has spent five minutes there in the morning would be aware that taxis cause incredible congestion.

Mr SCULLY: I could ban it, but I have not reached the point where I am inclined to do that. I will continually monitor the situation.

The Hon. DAVID OLDFIELD: This is a consistent question that I have been asking about drivers. Mr Forward, do you have a driver?

Mr FORWARD: I do not have a driver.

CHAIR: I wish to ask some questions about heavy vehicle transport on our roads. Given that heavy vehicles comprise 15 per cent of the traffic on the Pacific Highway and that they are involved in 33 per cent of fatalities, can you advise why motorists must, by law, have hands-free arrangements for mobile phones, but heavy vehicle drivers can have hand-held CB radios?

Mr SCULLY: To date I do not have any evidence that their access to that equipment is causing poor road safety outcomes. I have a lot of anecdotal and stronger evidence that speed limiters are being tampered with and that entries in logbooks are fraudulent. The use of drugs and alcohol, fatigue and excessive speed are all reasons why heavy vehicles, in particular, on the Pacific Highway, are figuring far too often in traffic accidents. Members might recall that yesterday I announced an initiative that will ensure that registered operators of heavy vehicles will be deemed to have breached speed limiter legislation if their vehicles are found to be travelling at speeds more than 115 kilometres.

At the moment Victoria is conducting a trial to establish how many drivers are taking drugs. This Government is monitoring that trial. I have been told by the Transport Workers Union that it believes, anecdotally, that a lot of drivers are taking drugs to stay awake. When they come off those drugs their effects can have catastrophic consequences because of fatigue and the onset of sleep. This Government is doing a lot of things to combat fatigue, the use of drugs and tampering with speed limiters and logbooks. For example, I have established a logbook task force. Recently I met with the National Transport Commission. We are working on changing logbooks so that they fit more accurately into the documentary consignment chain. We have things like work diaries.

Those are the safety issues that really matter. Nobody has ever suggested directly to me that the ability of heavy vehicle driver to use or not use a radio is causing or contributing to fatalities or serious injuries. A lot of people have said to me that speeding, the use of drugs, tampering with logbooks and speed limiters are the things that we should worry about. That is one of the reasons why I set up the point-to-point speed cameras. Two of those cameras are located on the Pacific Highway. That is why I am conducting a trial at the moment. A couple of RTA vehicles have been fitted with digital cameras and we are recording the number of trucks that exceed the speed limit. This Government is looking at a range of measures.

If evidence emerges to suggest that this is an issue, I would be happy to address it. People in light vehicles tend to be a lot less skilled at their driving. They are not on the road as much. A lot of our truck drivers comply with the law and I believe that the majority of them are quite skilled. However, the use of mobile phones is a distraction. It tends to result in people chatting socially. I

would have thought that truck drivers would have been using mobile phones for work reasons. As I said earlier, if it emerges as being an issue, I would be happy to deal with it.

In all the meetings that I have had with industry, the police, road safety experts and the Transport Workers Union, it has not been brought to my attention as an issue. However, the honourable member is right to raise concerns about the heavy vehicle industry. The first element of the honourable member's question related to the heavy vehicle industry. I have been concerned about it for some time. Members have not heard the last of the policy decisions that need to be made in relation to the heavy vehicle industry. I say with some disappointment that parts of the industry are more concerned about endless efficiency gains. They always want longer dimensions and heavier and wider vehicles. I keep saying to them that they need to take safety more and more seriously—it is safety, safety, safety. But they seem to be more concerned about efficiency rather than trying to save lives.

CHAIR: Minister, you mentioned anecdotal evidence and other evidence of drug use by heavy transport vehicle drivers.

Mr CARL SCULLY: Yes.

CHAIR: Given that the Country Roads Summit recommended the trial of random drug testing for heavy vehicle drivers, why will you not consider using a saliva test as a screening device and, if that test proves positive, consider taking a blood sample to determine whether there are drugs in the blood of such drivers?

Mr CARL SCULLY: I am happy to say that the Minister for Police and I have had discussions about that and we are monitoring the situation in Victoria. It concerns me that some drivers are using drugs and we certainly need to address that problem. But I will need to consider what the Victorians are doing. They are reasonably well advanced, they have already passed legislation and have started the process of assessing equipment—things of that nature. We are keeping that monitored.

CHAIR: With respect to another recommendation from the Country Roads Summit, what about introducing mandatory drug testing for all drivers after crashes? This is similar to the provision relating to mandatory breath testing in the same circumstances.

Mr CARL SCULLY: It is worth considering requiring police, or at least giving them the discretion, to consider that at a fatal crash site. I think it is probably impractical to do it at every crash site. But I am giving consideration to how we might do it a little better. As I say, it is an issue that I am concerned about and that I am giving due consideration to. I am monitoring what is happening in Victoria. I am well aware of the concerns in elements of the industry, and I will be commenting on it from time to time.

CHAIR: Turning to the Pacific Highway, in light of last week's announcement by the Federal Government that it will fund half the cost of the Ballina bypass—which, as you would appreciate, is the State's responsibility under the current 10-year agreement in relation to the Pacific Highway—and given that planning approvals are all in place for that project, would you consider entering into an agreement with the Federal Government on this important project, whereby Federal funds would be spent on the first half of the project and State funds would be spent on the second half so that the project could be completed as quickly as possible?

Mr CARL SCULLY: May I say at the outset that the current 10-year agreement finishes on 30 June 2006 and does not have the Ballina bypass as one of its constructed projects. Therefore, it is not necessarily either a State or a Federal project because there is no agreement as to how it will be constructed. John Anderson announced increased funding from 2006 for three years to bring Federal funding up to the funding that we are putting in, which is approximately \$160 million each year for three years. I appreciate that. He has indicated that that might extend over a 10-year period.

My difficulty is that if you have a 10-year agreement for \$320 million each and every year you are still more than \$2.2 billion short. I have said to John Anderson, "It's all very well during an election campaign to cherry pick a particular project, like the Ballina bypass"—or he could do the

Bonville deviation on St Helena Hill or the Kempsey bypass; he could go up and down the coast, depending on which marginal seat candidate he wanted to do a stunt for. I would like him to sit down with me and work out how we are going to finish the \$5,500 million worth of work needed to finish a divided dual carriageway from the Queensland border to Hexham. John Anderson has talked about a 10-year agreement. Expenditure of \$320 million each and every year for 17 years will get you a divided dual carriageway. The Ballina bypass is likely to form part of an early project in a new 17-year agreement. I have already said that publicly. It is an important project and I am pleased that John Anderson is interested in it. But it is nothing more than a stunt.

So I could say, "Yes, there's another \$245 million". John Anderson has promised \$115 million for a \$245 million project, which he probably thought was half; that is fine and it is welcome. But I think what is more important is all the other communities that will miss out because he is not allocating more money. That is the difficulty. The Ballina bypass will be built—probably earlier in the new agreement. But that does not deal with the problem. John Anderson's job is to parachute in to The Nationals marginal seats and peg press releases to gum trees, which is what he did in Ballina. My job, as the State Roads Minister, is to try to work out a program of construction for all the communities up and down the coast. That is a lot harder than what he has to do. Would it not be fun if all we had to do was parachute in next to a gum tree, peg a press release on it and expect councils to foot all the bills?

So I do not congratulate John Anderson on that. I say, "Thank you for your interest in the Pacific Highway and thank you for matching what we are doing, but it is not good enough." It is no way to reach a bilateral agreement, by the way. You do not have a bilateral agreement with another level of government by responding to a press release that was sent to me from a radio station on the North Coast. That is pathetic. That is not how you do it: You sit down and negotiate these things and work out who is responsible.

CHAIR: Given that it is obvious that that particular part of the Pacific Highway has one of the highest fatal accident rates, to use the word "stunt" in that context is a bit distasteful.

Mr CARL SCULLY: I have to respond to that—

CHAIR: But putting that to one side, will you consider being involved in an agreement where Federal money is spent on the first half of the project so that it can be advanced—given the high death rate on that part of the Pacific Highway?

Mr CARL SCULLY: All our funding has been earmarked to places where there has been the highest number of fatalities. We have concentrated on north of Newcastle, around Coffs Harbour and south of the Tweed. You would recall Burringbar Range, O'Sullivan's Gap and those sorts of places where large numbers of people were being killed and are now not being killed. In fact, this year there has been a good reduction in the road toll on the Pacific Highway. I am happy to sit down with John Anderson and work out a funding and construction program, but it must be by agreement. How do you think I did the Western Sydney Orbital with him? I met with him, we sat down and we did a deal. We banged heads together and then we got our department heads to bang heads together. That is what we have done.

When the 10-year agreement was signed in Grafton in January 1996 it did not include 10 years worth of work. We have had a rolling program. It has been a very co-operative, good working relationship. My reaction to Ballina was, "That's a bit ordinary, John; that's not the relationship we've had to date and that's not the discussion we've had." If he wanted to do that during the election campaign I was not going to get in the way—I will not get in the way of him doing his stunt if he wants to. But there is a big shortfall: We need \$2 billion. The Ballina bypass is important. It will be built and we will contribute funding to it. But we have to discuss priorities. We are partners in this. In fact, we are joint partners because he is talking about matching our funding over a long period of time.

I will not say, "Well, I'm going to do the Bonville deviation instead of Ballina" or "St Helena Hill is more important because Neville Newell is a Labor Party marginal" or "Let's do something at Karuah". That is not how you do it, and I am not going to do it. So whoever wins—whether it is Martin Ferguson or John Anderson—I will sit down with them post-9 October in a mature, ministerial way and work out a \$5.5 billion deal, not a \$3 billion deal. That is what the people of Ballina should

be asking. They should say, "Thank you, John, for your support for our community but what about the rest of the North Coast? Why are you short-changing them?"

CHAIR: That is a good question.

Mr CARL SCULLY: You are closer to him. Could you ask him where the money is?

CHAIR: You have noted the Federal Government's recent announcement that it will increase its funding from \$60 million to \$160 million—

Mr CARL SCULLY: For three years guaranteed; that is all.

CHAIR: And you have said that you appreciate that.

Mr CARL SCULLY: Yes.

CHAIR: Are you concerned that Federal Labor has only committed to \$60 million per annum, as per the joint press conference of the aforementioned Mr Ferguson and the then Acting Leader of the Opposition, Jenny Macklin, at Murwillumbah? I do not know whether there was a gum tree there. Are you concerned about that disappointing announcement?

Mr CARL SCULLY: I deal with governments and I would love Mark Latham to become Prime Minister.

CHAIR: So maybe that commitment is totally irrelevant.

Mr CARL SCULLY: My political answer is that I would love Federal Labor to win but I deal with governments. I have told Martin Ferguson that: I deal with governments. The Federal Government has responded. I have given credit where credit is due; I appreciate that additional funding. But there is a \$2 billion shortfall. You would have seen Peter Costello announce \$25 billion in surplus over four years. I would like some of that money for the Princes Highway and the Pacific Highway. That \$25 billion is over and above all the tax cuts, all the water plans and all the spending initiatives on education. They have \$25,000 million—they are awash with money.

CHAIR: Fantastic economic management.

Mr CARL SCULLY: So I want \$2 billion of that for the Pacific Highway and I want some for the Princes Highway. That is our money.

CHAIR: Now that you have raised the matter of the Princes Highway, Mr Harwin has a question.

The Hon. DON HARWIN: I am chafing at the bit. Minister, when will the Pambula Bridge construction start and when is it expected to be completed? What will the project cost?

Mr CARL SCULLY: Both sides of politics at a Federal level have committed to that project. We will get cracking as soon as the Federal election is out of the way. That is a joint project and we will have to negotiate that with them.

The Hon. DON HARWIN: So you do not have a date that you can give the Committee at this stage?

Mr CARL SCULLY: As I said, we will commence negotiations with the Department of Transport and Regional Services straight after the election, whoever the Transport Minister may be. But we will get cracking on it.

The Hon. DON HARWIN: Do you have construction plans yet or a design for the bridge?

Mr CARL SCULLY: It is only quite recently that political commitments were made by both sides of politics at the Canberra level. Let the election ensue. The good thing for the people of Pambula is, no matter who is elected, there is a deal to be done here.

The Hon. DON HARWIN: Indeed. But there are no particular plans that can be provided at the moment.

Mr CARL SCULLY: We have been doing design plans and that sort of stuff. But I have to have something on the dotted line. I need an allocation; I need more than a press release.

The Hon. DON HARWIN: So you have design plans. Are you able to table those plans?

Mr CARL SCULLY: No, not yet.

The Hon. DON HARWIN: How much has been spent maintaining Pambula Bridge during 2003-04?

Mr CARL SCULLY: I will take that question on notice.

The Hon. DON HARWIN: Fine.

Mr CARL SCULLY: Please pass on to the good people of Pambula the news that the new bridge is coming—hope is on the way.

The Hon. DON HARWIN: I am sure they will be happy. What funding has been allocated this year specifically to upgrading the roadside safety guardrails on the Princes Highway?

Mr CARL SCULLY: I will take that question on notice.

The Hon. DON HARWIN: What are the key projects for 2004-05 on the Princes Highway south of Nowra?

Mr CARL SCULLY: It is interesting that you say "south of Nowra" and choose to ignore the major projects on the Princes Highway. You would be aware—

The Hon. DON HARWIN: You should not assume that I am choosing to ignore them, but I am just interested in knowing what you are doing south of Nowra.

Mr CARL SCULLY: I am happy to take that question on notice but I would like to put your question in context. All the stakeholders involved with the Princes Highway came to see me last session—bear in mind that these people are more disposed to your side of politics than mine. I asked them in a meeting, "Are we spending the Princes Highway dollars in the right place on the north Kiama bypass?" Unanimously they answered yes. I asked, "Are we spending the money in the right place on Oak Flats to Dunmore when we finish the north Kiama bypass". The answer was yes. Those people live along the entire length of the Princes Highway. I thought they would say, "Hang on a minute, Minister, you're doing the wrong thing here." But, no, they said unanimously that we are expending those hundreds of millions of dollars in the right place. The problem is that we are getting a very rough end from the Federal Government. If I could get this road declared a road of national importance and get Federal funds we could get cracking.

The Hon. DON HARWIN: The Federal Government has just announced all sorts of commitments to funding the Princes Highway south of Nowra.

Mr CARL SCULLY: Not a dollar.

The Hon. DON HARWIN: I cannot believe that you need to take this question on notice. I have not asked for every single minor project between Nowra and the Victorian border; I have just asked a simple question about the key projects for the coming financial year on the Princes Highway south of Nowra.

Mr CARL SCULLY: You are interested in the Princes Highway—

The Hon. DON HARWIN: South of Nowra.

Mr CARL SCULLY: South of Nowra.

Mr CARL SCULLY: You are interested in the Princes Highway south of Nowra, which is the responsibility of the State Government.

The Hon. DON HARWIN: Indeed it is.

Mr CARL SCULLY: And you are interested in where funds are allocated to the State Government Princes Highway south of Nowra?

The Hon. DON HARWIN: Yes.

Mr CARL SCULLY: I will tell you where the Federal Government is spending money on the Princes Highway south of Nowra.

The Hon. DON HARWIN: No, I asked for the key projects where the State Government is spending money south of Nowra in the next financial year.

Mr CARL SCULLY: South of Nowra on the Princes Highway, Geelong bypass, \$186 million of Federal money. South of Nowra, Pakenham bypass, a 20-kilometre freeway, Princes Highway, State Government road, \$95 million.

CHAIR: Wrong State.

The Hon. DON HARWIN: I would be grateful if you would confine your answer to the State of New South Wales, for which you specifically have responsibilities.

Mr CARL SCULLY: No, fair go, your party has been running up and down the coast saying the Princes Highway is a State responsibility and I should be putting in all the funding. The Princes Highway south of Nowra, south of the border in Victoria—nearly half a billion dollars of Federal money going into the Victorian State Princes Highway. I want to know why are the people of the south coast of New South Wales, in relation to the Princes Highway—same sort of road and same State responsibility—being ripped off! Shame on you! What are you going to do about it?

The Hon. DON HARWIN: I ask you to answer the question which you are trying so studiously to avoid.

Mr CARL SCULLY: I said I will take it on notice. Are you aware of these figures? They are a disgrace! You are embarrassed by them!

The Hon. DON HARWIN: I am not at all embarrassed.

Mr CARL SCULLY: You should be.

The Hon. DON HARWIN: You are the one who should be embarrassed about what you are not doing for the Princes Highway south of Nowra. Are you aware of the review of environmental factors at the roundabout north of the Bega township that the Roads and Traffic Authority undertook after the roundabout was completed?

Mr CARL SCULLY: I am aware of assessments being undertaken generally around Bega. I cannot answer the detail of them.

The Hon. DON HARWIN: Are you aware of the Ombudsman's report into the matter?

Mr CARL SCULLY: I am not familiar with the detail of it.

The Hon. DON HARWIN: Can you tell me the findings of the inquiry?

Mr CARL SCULLY: No.

The Hon. DON HARWIN: Director-General, can you help us?

Mr FORWARD: I have read numerous reports. No doubt you are referring to the motel that is located at that roundabout?

The Hon. DON HARWIN: Yes. What were the findings of the inquiry?

Mr FORWARD: I have been in correspondence with the motel owner. These are complex matters and I believe that the RTA gave a fair hearing on the matter.

The Hon. DON HARWIN: Is it true that the RTA offered \$95,000 to the local motel owner?

Mr FORWARD: The motel owner was keen to have his premises protected from any increase in noise and the RTA was prepared to modify the motel so that it could be treated to reduce the noise levels coming from the roundabout. The RTA made an offer to the motel owner to upgrade the facilities and to reduce the noise, by noise treatment measures in the motel.

The Hon. DON HARWIN: What do you expect the \$95,000 for the noise remediation work will pay for?

Mr FORWARD: We had some independent people advise us on what could be done. I have not got the exact details here but I understand it was something to the effect of double glazing and some airconditioning. They are the normal treatments that we would have put in. I have not read the detailed report from the consultants but we did get some independent advice on what it would cost to reduce the noise in the motel.

The Hon. DON HARWIN: Will a noise wall be erected?

Mr FORWARD: I am not aware that a noise wall will necessarily fit there.

The Hon. DON HARWIN: No noise wall will be erected?

Mr FORWARD: I will come back to you on that. I am not aware whether one can adequately fit in there. I will give you some more details on that.

Mr CARL SCULLY: Could you take on notice when John Anderson is going to adequately fund the Princess Highway?

CHAIR: No. It is not our job to do that. You can raise that matter in another forum.

The Hon. DON HARWIN: Provided you take on notice questions about what Martin Ferguson has not said about the Princess Highway. Because whereas John Anderson has given some specific commitments about projects between the Victorian border and Nowra, Martin Ferguson has not given one single commitment or one single cent. He said it is all your responsibility and you are giving the same answers to the people of South Coast that you have been giving for years. You are complaining about John Anderson but you will not say a word about Martin Ferguson.

Mr CARL SCULLY: I am astonished. You are an apologist for the Coalition.

CHAIR: Earlier you talked about the point-to-point speed camera trials one, of which is on the stretch from New Italy to the Harwood Bridge. Are you aware that during the conduct of the trial the RTA carried out significant road and bridge works on that stretch between the two camera points which involved trucks having to stop? Does that mean the trial is a farce?

Mr CARL SCULLY: That is a ridiculous question. It is a farcical comment.

Mr FORWARD: As you have suggested, one camera was placed on the start of the Harwood Bridge. Whilst the bridge was being repainted the camera work was installed and the additional camera was placed several kilometres down the road. This is a trial. We are not infringing motorists. The aim of the trial is to ensure that the technology works appropriately and accurately. During the painting of the bridge it did not matter at that stage whether there was some disruption to traffic. The disruption to traffic was not 24-hours a day: it was only at some stages. Of course, during that time the technology was being installed and tested. But it still gave some accurate readings and we were then able to improve the technology during this period to make it more accurate and calibrate it appropriately. At the moment the bridge work is underneath the deck of the bridge and, as I understand it—if it has not happened now it will shortly happen—vehicles will not be required to stop there. The trial will continue for many months until we are 100 per cent sure that the technology works 100 per cent of the time all the time.

CHAIR: It gave some accurate and some inaccurate results?

Mr FORWARD: No. With this new technology we need to make sure that it takes accurate and clear pictures and that the camera has the correct calibration. We have to go through numerous testings to make sure that is right. The fact that there were some road works going on did not cause a problem for that trial to be started. It is a trial over a number of months. The works are in the early stages and will not affect the overall trial.

Mr CARL SCULLY: I do not believe you would not be supportive of initiatives to make our heavy vehicle industry safer. I do not think you meant that by your question.

CHAIR: No, certainly not. How is the trial of the flashing lights outside schools being implemented? For example, are speed cameras being used to show whether vehicles are slowing down because of the flashing lights? Will the relevant school communities where the trials are being carried out be consulted about the benefit of flashing lights before a decision is made about whether the trial has been a success?

Mr CARL SCULLY: The initial trial of flashing lights showed some surprising results in some areas where there were no positive outcomes and in some where there were. I decided that we needed to trial more sites for a longer period before we came to a definitive conclusion because the earlier work would have suggested that we should not proceed to roll them out further on any program. I was not satisfied that that was necessarily statistically valid. That is why I added several months to the program and substantially increased the number of sites that we want to assess. We are also doing a trial at 10 schools with speed cameras and one or two sites with flashing lights and cameras to make sure that we can compare apples with apples, that is, flashing lights/cameras, flashing lights and cameras together. A lot more work needs to be done and that is unfolding. The early indications were that speed cameras obviously have a bigger impact than just flashing lights.

CHAIR: The road safety budget of the RTA is about \$98 million per annum, which seems to be less than the allocation in other States. Are you or the RTA concerned that the focus on 12-months planning and funding cycles is too short from a road safety viewpoint and that that can lead to uneven expenditure rates and may compromise road safety projects that take longer than a year to develop?

Mr CARL SCULLY: No, I have often made commitments over several year periods. I remember early in my tenure as roads Minister we pursued the Safer Routes to School Program over five years at about \$50 million. We have made a decision to undertake a number of initiatives on the Pacific Highway over two to three years. When I finish the road safety audit on the Princes Highway I expect to make commitments that will be over more than one year. We do a lot of initiatives that are more than one year but, of course, we are bound by the appropriation process. We have to respect that Parliament needs to authorise expenditure but that does not mean that we can make certain assumptions about funding, which we do reasonably successfully.

Ms SYLVIA HALE: Why has approval been granted to the proposed Albury freeway passing through the middle of Albury based on 1995 traffic data and accident statistics that related to a rural stretch of the Hume Highway? Given that this data is now nine years out of date, and the number of heavy diesel vehicles and trucks on rural roads has doubled in the six years between 1995 and

2000, will you require an updated environmental impact statement? Will you put a stop to the freeway until site-specific and up-to-date environmental data can be obtained and evaluated?

Mr CARL SCULLY: The Albury bypass has been a very interesting case study from the perspective of the Federal Government. I took the attitude that I was the contractor, the project builder, for Federal Government funding and decisions. We did the work at its request. We had planning approval at the Victorian and New South Wales side that supported an internal route through the town and over the river. Then Anderson said, "No, let's go external." We wasted two to three years worth of work. I put to him that I thought that was silly because you had 30,000 vehicles and only 6,000 would use an external bypass and you would still have 24,000 to 25,000 that would go through the town. I thought it was a silly decision. A couple of years after that he said, "All right, let's go back to the internal route." The Victorian and Federal governments had some issues about funding on connecting roads which was recently resolved. We have gone through a tender process. We are assessing the tenders. The Albury bypass has probably endured most of the eight years I have been roads Minister. I have endeavoured to stay out of the politics of it because generally it was a matter that pertained to the Federal National Party. It was one that I think needed to be built, but John Anderson made the third and final decision to go internal. If I were to do an environmental impact study and go through all that again I think it would never be built. It is too late in the day.

Ms SYLVIA HALE: Surely, you are aware of the incidence of medical ailments resulting from exposure to diesel fumes? Surely you are aware of the imbalance between what is happening in Wodonga on one side and Albury on the other? Surely you are aware of the great concern amongst residents for whom you have responsibility to ensure that this freeway does not impact on their health?

Mr CARL SCULLY: As a fellow broad green—

The Hon. DAVID OLDFIELD: He will be saying Don is a broad Liberal?

Mr CARL SCULLY: Don is a broad Liberal. As a broad green I share your interest in the move towards Euro 3 and Euro 4 standards for diesel trucks. In fact, as the diesel vehicle fleet grows our air quality will improve, because emissions from those diesel engines will be of a better quality.

Ms SYLVIA HALE: That will be cold comfort for the people of Albury.

Mr CARL SCULLY: Improvements in diesel engine emissions is a debate that rarely gets airplay. The concentration is on filtering stack emissions or what goes into tunnels. That diesel vehicle emissions will become cleaner and cleaner over the next 10 to 15 years gets almost no air play.

Ms SYLVIA HALE: But I understand not very small particulate matter, PM10 and smaller.

Mr CARL SCULLY: Some aspects, but it will be much, much better.

Ms SYLVIA HALE: There will still be highly carcinogenic emissions.

Mr CARL SCULLY: If you are worried, I am the builder on the Albury bypass; John Anderson is the decision-maker.

Ms SYLVIA HALE: You are the one able to request a new EIS based upon—

Mr CARL SCULLY: I am not the planning Minister.

Ms SYLVIA HALE: You can certainly intercede, on behalf of the residents of Albury, with the planning Minister to require a new EIS.

The Hon. DON HARWIN: Get on and build it, Carl. It's a good road.

Ms SYLVIA HALE: You both are obviously greens!

Mr CARL SCULLY: I think the Labor Party, The Nationals and the Liberal Party are at one on this.

CHAIR: It is a broad church.

The Hon. DON HARWIN: On this one, a very broad church. Just get on and build it.

Mr CARL SCULLY: Mr Harwin, we are broad community supporters on this issue.

Ms SYLVIA HALE: Supporting everyone except the people of Albury.

Mr CARL SCULLY: That is not true. The vast majority of the people of Albury are supporting it.

Ms SYLVIA HALE: You cannot honestly maintain that.

The Hon. DON HARWIN: She is dead wrong on that.

Mr CARL SCULLY: For the vast majority of the people of Albury, I think I am doing the right thing. I have endeavoured to keep out of the politics of it. I told John Anderson it is his decision where he wants to build it. I will treat myself as the project builder on it. I have done that, and we are getting on with it. It is going to be built. We have had enough discussion on the Albury bypass.

The Hon. DON HARWIN: Get on and build it.

Mr CARL SCULLY: On that issue, I agree: you are spot-on.

CHAIR: Thank you very much, Mr Scully. Thanks also to the departmental officers for their attendance.

The Committee proceeded to deliberate.

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