

CORRECTED COPY

GENERAL PURPOSE STANDING COMMITTEE No. 1

Monday 14 September 2009

Examination of proposed expenditure for the portfolio area

FINANCE, INFRASTRUCTURE, REGULATORY REFORM

The Committee met at 2.00 p.m.

MEMBERS

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

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

The Hon. P. G. Sharpe
The Hon. I. W. West
The Hon. H. M. Westwood

PRESENT

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

NSW Treasury

Mr M. Schur, *Secretary*

Mr K. Cosgriff, *Deputy Secretary*

Department of Premier and Cabinet

Mr P. Duncan, *Deputy Director General*

Better Regulation Office

Ms G. Beattie, *Acting Director*

Motor Accidents Authority

Ms C. Donnelly, *Acting General Manager*

Lifetime Care and Support Authority

Mr D. Bowen, *Chief Executive Officer*

WorkCover NSW

Mr R. Thomson, *Chief Executive Officer*

Mr J. Watson, *General Manager, Occupational Health and Safety*

Land and Property Management Authority

Mr W. Watkins, *Director General*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: I declare this hearing for the inquiry into the budget estimates 2009-10 open to the public. I welcome the Minister and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolios of Finance, Infrastructure and Regulatory Reform. Before we commence I will make some comments about procedural matters. I refer witnesses, the audience and members of the media to my earlier statement about procedural matters such as the broadcasting of proceedings.

The Committee has agreed to the following format for the hearing: 20 minutes for the Opposition, 20 minutes for the crossbench, split into two lots of 10 minutes, and 20 minutes for the Government. All witnesses from the department, statutory bodies and corporations will be sworn prior to giving evidence.

WARWICK ARTHUR WATKINS, Director General, Land and Property Management Authority,

JOHN WATSON, General Manager, Occupation Health and Safety Division, WorkCover New South Wales,

ROBERT JAMES THOMSON, Acting Chief Executive, WorkCover New South Wales,

PETER JOHN DUNCAN, Deputy Director General, Department of Premier and Cabinet,

KEVIN COSGRIFF, Deputy Secretary, New South Wales Treasury,

GEORGINA BEATTIE, Director, Better Regulation Office, sworn and examined, and

MICHAEL SCHUR, Secretary, New South Wales Treasury,

DAVID BOWEN, Chief Executive Officer, Lifetime Care and Support Authority, and

CARMEL MARY DONNELLY, Acting General Manager, Motor Accidents Authority, affirmed and examined:

CHAIR: I note that Anne Skewes is not at the table. Are you happy for her not to be sworn in?

Mr JOSEPH TRIPODI: Mr Watkins will take those questions.

CHAIR: I declare the proposed expenditure for the portfolios of Finance, Infrastructure and Regulatory Reform open for examination. As there is no provision in the motion establishing these committees for the Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. GREG PEARCE: Turning to electricity, the first question relates to your trip. What interest was there, and what are the outcomes of that trip?

Mr JOSEPH TRIPODI: There was quite a lot of interest. As we went around obviously there were differing levels of understanding of the Australian national electricity market, so in many cases we could get straight to fine detail and in other cases we needed to go through the framework and brief people on the structure of the industry and so on. There was quite strong interest, sufficient for the Government to make the decision to announce that we will proceed to expressions of interest. It was quite positive.

The Hon. GREG PEARCE: Do you expect some international bidders?

Mr JOSEPH TRIPODI: We would definitely like some international bidders. I have had no indication to me that there has been any change in the level of interest that we encountered while we were away.

The Hon. GREG PEARCE: So from the trip you expect some international bidders?

Mr JOSEPH TRIPODI: We are hopeful of it, yes.

The Hon. GREG PEARCE: You expect or you hope?

Mr JOSEPH TRIPODI: We expect.

The Hon. GREG PEARCE: Can you run through the advisers you took on that trip and the role of each of those advisers on the trip?

Mr JOSEPH TRIPODI: The role of my Chief of Staff, Jennifer Doherty—as Mr O'Farrell has repeatedly brought to the public's attention—obviously was to take notes for me while I was chairing meetings, particularly with respect to a lot of the issues that were raised directly with me and questions that were requested. The Secretary of Treasury, Michael Schur, was there for part of the trip; likewise, Kevin Cosgriff was there for part of the trip. Danny Price from Frontier Economics was there for all of the trip. Andrew Leyden from Lazard was there for part of the trip. With the advisers, sometimes there would be parts of the trip where we would be joined by their local representative who might do two or three legs of the trip. For example, Lazard might have had a person in a certain city and they would have joined us for that meeting. Credit Suisse have a presence in Asia so they would have come along with me for two or three points of that leg of the trip also.

The Hon. GREG PEARCE: I understand what Mr Cosgriff's role probably was, but why was Mr Schur on the trip?

Mr JOSEPH TRIPODI: He is the Secretary of Treasury. I do not know whether it is correct—they will correct me—but either Mr Schur or Mr Cosgriff was at parts of the trip. Is that right?

Mr SCHUR: Yes.

Mr JOSEPH TRIPODI: It was either one or the other. They did elements of it, where they covered for each other.

The Hon. GREG PEARCE: Do you have an itinerary showing who was where and when?

Mr JOSEPH TRIPODI: Everything we feel we can, with confidence, release to the public has been put up on the website.

The Hon. GREG PEARCE: Were the representatives from Frontier and Lazard being paid fees at the same time their accommodation and travel costs were paid for by the State?

Mr JOSEPH TRIPODI: I am not sure about that.

The Hon. GREG PEARCE: Do Mr Schur or Mr Cosgriff know?

Mr SCHUR: I think I can say as far as Lazard and Credit Suisse are concerned, they were on a small retainer. The vast majority of their fee is based on the sale proceeds. I would have to verify whether Frontier would pay itself.

The Hon. GREG PEARCE: Mr Cosgriff?

Mr COSGRIFF: Lazard and Credit Suisse arrangements, as Michael has said, are on a percentage of a sale basis. My belief is that Frontier are paid a daily rate for their services.

Mr JOSEPH TRIPODI: I forgot. Campbell Lobb was also with us from Credit Suisse, and he travelled through the whole trip.

The Hon. GREG PEARCE: Could you take on notice and get to the committee whether they were paid fees—including the Credit Suisse representative?

Mr JOSEPH TRIPODI: Sure.

The Hon. GREG PEARCE: And obviously the amount of those fees?

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: Have the amounts of the retainers been released yet?

Mr COSGRIFF: No, they have not.

The Hon. GREG PEARCE: Would you take on notice and give the committee details of those retainers?

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: Have the percentage payments to Lazard and Credit Suisse on the sale been released?

Mr SCHUR: I do not believe so. I think those are commercial in confidence.

The Hon. GREG PEARCE: Why are they commercial in confidence?

Mr JOSEPH TRIPODI: We will take advice on whether that kind of information can be released, and come back to you.

The Hon. GREG PEARCE: My question remains: Why would they be commercial in confidence? Why would a success fee being paid to advisers be commercial in confidence? It is a percentage, it is not a dollar amount.

Mr JOSEPH TRIPODI: We will take advice on it and we will come back to you.

The Hon. GREG PEARCE: Why do you not have an answer now?

Mr JOSEPH TRIPODI: We have a reason why we do not have an answer. I may not be able to answer your question without revealing the reason why it is the subject of the advice I will get.

The Hon. GREG PEARCE: I really do not understand that.

Mr JOSEPH TRIPODI: I will take the question on notice. I am entitled to take the question on notice. I will return to you once I have legal advice.

The Hon. GREG PEARCE: Mr Schur will appear tomorrow in Treasury. I will ask the same question then so perhaps you could have the information by then, Mr Schur?

The Hon. PENNY SHARPE: No.

Mr JOSEPH TRIPODI: No. Mr Schur will be here for another purpose tomorrow.

The Hon. GREG PEARCE: We will be talking about the electricity sale tomorrow. I am asking that Mr Schur have the answer tomorrow if he does not have it today.

Mr JOSEPH TRIPODI: You can ask what you like. We note your question and we will have the best endeavours to get back to you.

The Hon. GREG PEARCE: Ms Doherty, you said, took notes of you chairing meetings. Have those notes been made public?

Mr JOSEPH TRIPODI: No, and they will not be made public.

The Hon. GREG PEARCE: Why will they not be made public?

Mr JOSEPH TRIPODI: Because we will not be revealing the identity of the companies that we met with.

The Hon. GREG PEARCE: You will not be revealing the identity of the companies you met?

Mr JOSEPH TRIPODI: That is correct. That is very clear. It is contrary to the interests of New South Wales to do that. Many of the potential tenderers expressly requested that they be briefed without it being

revealed that they were interested. Obviously it has implications for their commercial situation, and they requested that, and we will be honouring those requests.

The Hon. GREG PEARCE: Are you telling the committee that major energy and banking companies around the world requested that they not be identified, and you gave a secret briefing to them? Is that what you are telling me?

Mr JOSEPH TRIPODI: It is not secret at all. These are commercial in confidence, and we have gone through and tried to issue as much information as we can, without prejudicing the interests of New South Wales taxpayers, and that information is available to you on the website.

The Hon. GREG PEARCE: What information did you give to potential bidders in secret? What sort of commercial information did you give to people you are not prepared to name in secret?

Mr JOSEPH TRIPODI: There was no secret information.

The Hon. GREG PEARCE: Well then, let us go back to square one.

Mr JOSEPH TRIPODI: These are briefings that were given on the issues that are clearly articulated in the first document that has already been released. We gave extensive briefings with relation to the particular issues that were outstanding. In particular, we were interested in understanding what they would like to see being the form of the transaction, and the issues and interests that they would like to see factored into any process that we go ahead with. So it was a market testing process and we were there to listen and to convey our plans. In terms of the financial data, all of it is public.

The Hon. GREG PEARCE: I am interested in the parties you saw. Do you tell me again that they insisted that you maintain the keeping of their identities secret?

Mr JOSEPH TRIPODI: Some of the tenderers made it very clear—

The Hon. GREG PEARCE: Only some!

Mr JOSEPH TRIPODI: That is correct.

The Hon. GREG PEARCE: So the others you have named?

Mr JOSEPH TRIPODI: And I made it very clear, on advice from my advisers, that it would be wise not to release the identities of the companies that we saw. If any one of those companies chooses to reveal their own identity—for example, public statements have already been made by some of those companies—then that is a matter for them.

The Hon. GREG PEARCE: So you have taken New South Wales Labor Inc. overseas now?

Mr JOSEPH TRIPODI: No, we are not doing that.

The Hon. GREG PEARCE: You have taken the secret meetings, secret briefings, special information that you are giving these people—

Mr JOSEPH TRIPODI: There was no special information.

The Hon. GREG PEARCE: Well, why are you not naming them?

Mr JOSEPH TRIPODI: It was a briefing on the content. I am not revealing the identity of the companies.

The Hon. GREG PEARCE: Do you realise how stupid you sound?

Mr JOSEPH TRIPODI: No, I actually think you sound quite stupid because in essence we do not want—

CHAIR: Let the Minister finish his sentence.

The Hon. GREG PEARCE: You are telling me that you have gone around the world, had secret briefings, given secret bits of information, given special information, given special insight to allow people to bid in this?

Mr JOSEPH TRIPODI: Mr Pearce, there is nothing secret about what we have done.

The Hon. GREG PEARCE: Do you understand anything about probity?

Mr JOSEPH TRIPODI: I think you don't understand anything about probity.

The Hon. GREG PEARCE: Do you understand anything about probity? You have gone around the world, given secret briefings to unnamed parties with secret information? Have you been given any promises and incentives in relation to the information you have given to some of these people that you refuse to name?

Mr JOSEPH TRIPODI: That question is vulgar and repulsive and offensive.

The Hon. GREG PEARCE: Well, answer it!

Mr JOSEPH TRIPODI: The answer is no.

The Hon. GREG PEARCE: Thank you.

Mr JOSEPH TRIPODI: And you disgust me. Get on with it. Ask a decent question.

The Hon. GREG PEARCE: You don't even understand—

Mr JOSEPH TRIPODI: You don't understand—

The Hon. GREG PEARCE: You are a Minister of the Crown and you have gone around the world—

CHAIR: Mr Pearce, please frame it as a question?

The Hon. GREG PEARCE: I will if you could let me finish. You have gone around the world giving secret briefings to parties you will not name, with secret information? No-one here knows what information you have given to these parties and no-one knows whether you have been promised any incentives for this action?

Mr JOSEPH TRIPODI: I have answered that question, and if you put it again—I challenge you to repeat it outside the parliamentary privilege that you are abusing. You are offensive.

The Hon. GREG PEARCE: I am not abusing anything.

Mr JOSEPH TRIPODI: Yes, you are.

The Hon. GREG PEARCE: I am trying to get to the bottom of why you have taken half a dozen business class trips around the world—

Mr JOSEPH TRIPODI: I will answer your question now.

The Hon. GREG PEARCE: —and given secret information to potential bidders.

Mr JOSEPH TRIPODI: The answer to your question is that these were briefings in relation to the framework document that had already been put out, and also the information is public information that they were given, stuff that they would not necessarily have at hand—for example, the published financial statements of the companies.

The Hon. GREG PEARCE: Why did you have to go to give them published information?

Mr JOSEPH TRIPODI: Because—

The Hon. GREG PEARCE: Why couldn't you send them a fax or an email?

Mr JOSEPH TRIPODI: That is ridiculous. That is just ridiculous.

The Hon. GREG PEARCE: Why is it ridiculous? Why did you have to go to give them published information, and then refuse to name who you saw and refuse to provide us with details of who you saw?

Mr JOSEPH TRIPODI: On the advice of the financial advisers, they thought that having the Minister present would allow us to get to a level within each one of these companies where we would be able to deliver a message to decision makers. I accepted that advice.

The Hon. GREG PEARCE: What was the message you were delivering to decision makers?

Mr JOSEPH TRIPODI: I accepted that advice. A briefing.

The Hon. GREG PEARCE: What message did you deliver?

Mr JOSEPH TRIPODI: A briefing.

The Hon. GREG PEARCE: What message did you deliver?

Mr JOSEPH TRIPODI: I just answered your question.

The Hon. GREG PEARCE: No, you said you were delivering a message. What was the message?

Mr JOSEPH TRIPODI: The message was the briefing. The briefing.

The Hon. GREG PEARCE: What was in the briefing?

Mr JOSEPH TRIPODI: Look—

The Hon. GREG PEARCE: You spent weeks going around the world with this briefing. I am asking you what it was. Surely you remember.

Mr JOSEPH TRIPODI: Yes, in essence, we were there to do market testing and get feedback on a lot of the open-ended issues that exist in the framework document and we were there to answer questions and provide information—

The Hon. GREG PEARCE: But you only provided information that was published, which anyone with half an interest could have Googled and pulled up. So why were you there, why were you having secret meetings and what did you tell these people you will not name? How can anybody have any confidence in this process when you are off around the world having secret meetings—

CHAIR: Can you frame your comments as a question? You keep making comments, not asking questions.

Dr JOHN KAYE: It was a question.

The Hon. PENNY SHARPE: There were about 10 questions with no space to answer them.

CHAIR: You have asked the same thing five times.

The Hon. GREG PEARCE: That is right, because I am not getting an answer.

The Hon. PENNY SHARPE: If you drew breath for a minute and allowed the Minister to answer the question you might get an answer.

CHAIR: The Minister has answered the question.

The Hon. GREG PEARCE: Fred, you do not need to protect him.

CHAIR: I am not protecting anybody.

The Hon. GREG PEARCE: The fact that he cannot answer it is an embarrassment and I am saying it is also a matter of great concern.

Mr JOSEPH TRIPODI: I have answered your question.

The Hon. GREG PEARCE: So you are telling me that you cannot tell us what the message was you were delivering?

Mr JOSEPH TRIPODI: I am sorry, I have answered that question. We gave briefings on what was in the framework.

The Hon. GREG PEARCE: Public documents.

Mr JOSEPH TRIPODI: Yes, that is right, what was in the framework.

The Hon. GREG PEARCE: But it is a secret who you spoke to.

Mr JOSEPH TRIPODI: Yes, many of them asked us and we have made the decision on advice that we should not reveal the identity of those companies—that is correct.

CHAIR: And the Minister has repeated that about four times now.

The Hon. GREG PEARCE: Thank you, Chair, I did not really notice.

The Hon. MATTHEW MASON-COX: Given some of those statements, do you intend to appoint an independent probity auditor to the sales process?

Mr JOSEPH TRIPODI: There already is an independent probity auditor involved.

The Hon. MATTHEW MASON-COX: Who is that?

Mr SCHUR: There is one, I just cannot remember the name.

The Hon. GREG PEARCE: He is on an around-the-world trip at the moment, is he?

Mr JOSEPH TRIPODI: We will come back to you with the name of the firm.

The Hon. MATTHEW MASON-COX: Given that the Carbon Pollution Reduction Scheme [CPRS] has been delayed in terms of the start date until 1 July 2011 and given the importance of having a clear regulatory framework that will apply to generators and to retailers in particular, can you give us an understanding of the sort of feedback you have had from potential bidders about the uncertainty surrounding the regulatory framework and the implications that that might have for price?

Mr JOSEPH TRIPODI: Just about all the firms we have met with are very familiar with the concept of the Carbon Pollution Reduction Scheme and we have spent some time going through and detailing, for those who were not familiar, what was publicly known to date that had been released by the Federal Government. Obviously they will now need to factor in the potential carbon cost of what will flow from the Carbon Pollution Reduction Scheme reforms and they will then tailor their offering to the Government with that expected carbon cost factored in.

The Hon. MATTHEW MASON-COX: Is it your intention to rule out providing any indemnities to bidders in relation to their potential liability in respect of any Carbon Pollution Reduction Scheme that is finally passed by the Commonwealth?

Mr JOSEPH TRIPODI: If you had read the document that we released last week, it goes through and explains that the carbon costs would be the responsibility of the gen-trader and any permits that the Federal Government issues will be to the benefit of the gen-trader.

The Hon. MATTHEW MASON-COX: I have read that document. I ask you again will you rule out any guarantees or indemnities of any nature in relation to any potential liability that bidders may have under those schemes from the State Government?

Mr JOSEPH TRIPODI: What I can say to you is that what is contained in that document is the Government's position to date.

The Hon. MATTHEW MASON-COX: It is not explicitly dealt with in that document and, as you would be aware in relation to contract negotiations, these are very important issues for bidders and really we are talking about a risk allocation—

Mr JOSEPH TRIPODI: That is right.

The Hon. MATTHEW MASON-COX: —between the Government and the private sector bidders. In any sales negotiation or any negotiation of this sort bidders will be trying to minimise their risk and pass whatever risk they can to the Government, so it is fundamentally important that we understand whether you intend to rule out any indemnities in favour of bidders or whether you will entertain such an idea in the negotiation process.

Mr JOSEPH TRIPODI: Minister Costa, the previous Treasurer, had already ruled out indemnities and the policy position of the Government is clearly stated in the document that was released last week. It is very clear that the carbon cost and the carbon responsibility and liability will rest with the gen-trader, and the permits and any other benefits that may flow from the Federal reforms will be received by the gen-trader.

The Hon. MATTHEW MASON-COX: Will you release the transaction documentation, once it has been prepared, to the public or to Parliament?

Mr JOSEPH TRIPODI: The Auditor-General will be invited to go through all of those documents and report to Parliament, and I am sure that he will be more than capable of reporting all the pertinent elements of the transaction.

The Hon. MATTHEW MASON-COX: It will not be formally released, it will just be reported on by the Auditor-General?

Mr JOSEPH TRIPODI: Yes.

The Hon. MATTHEW MASON-COX: Will the probity auditor report on those matters as well to Parliament?

Mr JOSEPH TRIPODI: To answer a previous question with respect to the probity adviser, the name of the firm is RSM Bird Cameron. It will be a matter for the probity advisers what information they choose to release. We will not be fettering their independence or their discretion.

The Hon. MATTHEW MASON-COX: Surely in relation to the appointment of a probity auditor you set out the obligations and duties of that probity auditor to the process and the reporting requirements, so could you please provide that information to the Committee?

Mr JOSEPH TRIPODI: To the best of my knowledge, they are free to report whatever they wish, so I do not think that we in any way have fettered their discretion to report anything if they were concerned in any way.

The Hon. MATTHEW MASON-COX: So there is no requirement upon those auditors to report in relation to the probity of the transaction?

Mr JOSEPH TRIPODI: As I understand it, or as I am advised, there is a requirement to report to me on any probity issues, but obviously if they feel that there is anything that the public should know I would encourage them to release that information.

The Hon. MATTHEW MASON-COX: Will you give an undertaking to this Committee that any report you are given by the probity auditors or the Auditor-General will be provided to the Parliament or the public?

Mr JOSEPH TRIPODI: I will take advice on that about what should be released to the public and what should not.

The Hon. MATTHEW MASON-COX: The probity auditors are appointed by the Government.

Mr JOSEPH TRIPODI: That is right.

The Hon. MATTHEW MASON-COX: So the probity auditors will take instructions from the Government as to what they should or should not do. It is not up to them to decide. I am asking you, as the responsible Minister, will you release the information or the comments or report that the probity auditors make, be it by way of RSM Bird Cameron direct or be it by way of the New South Wales Auditor-General to the public?

Mr JOSEPH TRIPODI: I will refer to my previous answer.

The Hon. MATTHEW MASON-COX: Which is completely irrelevant.

Mr JOSEPH TRIPODI: No, it is not irrelevant at all.

The Hon. MATTHEW MASON-COX: I will ask the question again. Will you release the probity reports to the public?

Mr JOSEPH TRIPODI: I will take advice from the probity adviser about what should be released and made public and what should not. Obviously I am very committed to having as much transparency as possible, but I need to take advice with respect to that.

Dr JOHN KAYE: Minister, I want to go back to the very beginning and talk about your objectives—why we are, in your terms, reforming the energy industry. Can you clarify that the reason we are doing this is to attract new baseload generation, as per the Owen inquiry, and can you also clarify that the reason you feel you need to hand over control of the generators, generation traders and retailers to the private sector is for the same arguments that were used in the Owen inquiry? Is that correct?

Mr JOSEPH TRIPODI: The objectives of the reform process are to ensure that there is timely investment in the electricity sector, thereby delivering efficient and reliable power to the businesses and homes in New South Wales.

Dr JOHN KAYE: I have read that too. So the answer is yes?

Mr JOSEPH TRIPODI: It is as it is stated in the objectives.

Dr JOHN KAYE: Okay. Minister, it is true that in your media statements and elsewhere you constantly talk about your objective being to secure one new player in the New South Wales electricity market, is that correct?

Mr JOSEPH TRIPODI: That is correct.

Dr JOHN KAYE: Can you expand on that? Do you mean you are just happy to hand over the entire industry to one private sector player or that you would be happy to have one private sector player owning part of the stuff that is up for sale and the rest remains in public hands?

Mr JOSEPH TRIPODI: What are you a doctor of, John?

Dr JOHN KAYE: Standing orders prohibit you from asking questions.

Mr JOSEPH TRIPODI: Okay, I thought as a courtesy you might want to just—obviously we cannot hand the whole industry over to one player. There is a thing called the Australian Competition and Consumer Commission and there is the Trade Practices Act, so it is impossible to do that. In essence we are saying we want a new player to take one of the gen-trader contracts.

Dr JOHN KAYE: The language you are using is "at least one new player". If you get just one new player to take one of the gen-trader contracts, which is roughly speaking one-fifth of the generation market, and you cannot find anyone else, will you leave the remaining four-fifths, or 80 per cent, of the electricity market under public ownership?

Mr JOSEPH TRIPODI: No, there will be other players, not necessarily new players. For example, AGL already has a presence in the national electricity market [NEM]. If they purchased one of the gen-trader contracts, that would be good. We are talking about new entrants. We would like to see at least one new entrant come into the generation field.

Dr JOHN KAYE: One new entrant coming from outside the existing entire NEM?

Mr JOSEPH TRIPODI: The national market, yes.

Dr JOHN KAYE: Somebody who does not have any generation or retail activity within the market?

Mr JOSEPH TRIPODI: Ideally a new player to come in.

Dr JOHN KAYE: Effectively you mean an overseas player?

Mr JOSEPH TRIPODI: It could be an Australian player, someone who wants to come into that market that is an Australian company and has an interest in coming into that market.

Dr JOHN KAYE: But at the end of this process there will be none of the currently publicly owned retailers and none of the trading arms of the three generators in public hands or any section thereof? Your goal is to privatise, or hand over to the private sector, the entire lot.

Mr JOSEPH TRIPODI: Our goal is to reduce the level of government involvement in the competitive elements of the NEM, so in retail and in generation, which are the competitive elements of the NEM, our goal is to reduce—

Dr JOHN KAYE: You mean generation trading, I presume, not generation.

Mr JOSEPH TRIPODI: That is right.

Dr JOHN KAYE: That was presumably just a Freudian slip?

Mr JOSEPH TRIPODI: Yes, generation trading. That is the purpose of our reform.

Dr JOHN KAYE: You have gone from the Owen inquiry, which said the whole lot had to go, to the point now where we have to reduce?

Mr JOSEPH TRIPODI: That is correct.

Dr JOHN KAYE: Would you entertain ending this process with some of the retailers and some of the generation trading arms still under public sector control?

Mr JOSEPH TRIPODI: The purpose of our reform is to reduce the level of government involvement in the competitive elements of the national electricity market.

Dr JOHN KAYE: So you have backed off from the Owen objective of putting it all into the private sector?

Mr JOSEPH TRIPODI: It is quite clear the new reform strategy is different from the old one.

Dr JOHN KAYE: I turn now to protection for employees of those components that are being sold off. I understand that there is up to five years of employment protection. How is that protection to be legally implemented? Are you going to legislate, are you going to have a legally binding agreement? What is the instrument by which that protection will be implemented?

Mr JOSEPH TRIPODI: We are currently working through that issue. We will definitely have terms in the contract of sale and we are currently looking for further reassurances on the five-year protection.

Dr JOHN KAYE: Presumably the contract of sale will be an almost entirely private document, a confidential document?

Mr JOSEPH TRIPODI: That is the advice I have received, yes.

Dr JOHN KAYE: So it is possible at this stage that the workforce protections will be locked up in a document that the workforce and the public cannot see?

Mr JOSEPH TRIPODI: I can assure you that the unions have been extremely vigilant in pursuing this issue and we have been in quite extensive discussion about how we can give the workforce reassurances that they will have their five-year protection if they choose to go off to the purchaser.

Dr JOHN KAYE: What I want to know is how we will know what those protections are. Will they be in the public domain? Will there be a guarantee in the public domain?

Mr JOSEPH TRIPODI: It cannot get more public than here. We are saying we will guarantee those jobs for five years and we are working through it.

Dr JOHN KAYE: No, legally binding.

Mr JOSEPH TRIPODI: Yes, and we are working through how best to execute and enforce that.

Dr JOHN KAYE: Do you anticipate there will be legislation?

Mr JOSEPH TRIPODI: No.

Dr JOHN KAYE: So there will be no legislation at all?

Mr JOSEPH TRIPODI: We do not anticipate there will be legislation.

Dr JOHN KAYE: We have gone from the situation with Michael Costa where we started with backend legislation, which was the protections for consumers and workers, through to an undertaking to the upper House that there would be total legislation to restructure the industry, to a point now where there is going to be no consultation with Parliament at all.

Mr JOSEPH TRIPODI: We have clearly defined what the policy position is and we are working through the detail on how it will be executed.

Dr JOHN KAYE: Do you have Crown Solicitor's advice that you can restructure the industry in this way to pass over the gen-traders and the retailers, and indeed break up the gen-traders into different segments? Do you have Crown Solicitor's advice that you can do that without reference to Parliament and without changing the State Owned Corporations Act and the Energy Services Corporations Act?

Mr JOSEPH TRIPODI: The Government's plans to reform the electricity industry have been debated in the Parliament, the public and the media for the past few years. Last year, at considerable expense to the taxpayers, the Auditor-General conducted a rigorous and extensive study into the Government's proposed electricity reforms and recommended they proceed. A rural communities impact statement was prepared that found the Government's package of support measures was sufficient and that the Government's proposals may in fact lead to more jobs in rural and regional New South Wales. The Government's plans to divest its retail operations are unchanged and the proposal to lease the generators has been put aside, so there is little merit in

re-examining proposals that have been comprehensively analysed and are no longer relevant. Existing checks and balances through mechanisms such as the Auditor-General and parliamentary estimates hearings can and will provide appropriate oversight on a regular and ongoing basis. The public interest in securing a reliable supply of future electricity is self-evident.

Dr JOHN KAYE: With respect, Minister, I asked about legislation and you have started reading me a very interesting if somewhat warmed-over screed about the whole process. I specifically wanted to know whether you had legal advice as to whether you could achieve the outcomes you are seeking without changing either the Energy Services Corporations Act or the State Owned Corporations Act.

Mr JOSEPH TRIPODI: We are confident that we can proceed under the current legislative arrangements that are in place.

Dr JOHN KAYE: I have no doubt you are very confident, Minister. You are a very confident man. I want to know whether you have legal advice that tells you that you can proceed without changing the legislation in Parliament.

Mr JOSEPH TRIPODI: I have been advised we can proceed with the current legislative arrangements in place.

Dr JOHN KAYE: Who advised you of that?

Mr JOSEPH TRIPODI: Treasury.

Dr JOHN KAYE: Would that have been Mr Schur or Mr Cosgriff?

Mr JOSEPH TRIPODI: It was a while ago, so—

Dr JOHN KAYE: You cannot recall.

Mr JOSEPH TRIPODI: I think it was Mr Cosgriff.

Dr JOHN KAYE: Was that advice in writing?

Mr JOSEPH TRIPODI: It was a verbal briefing.

Dr JOHN KAYE: You were given a verbal briefing on what is probably going to be the largest privatisation we have ever seen as to whether you can do it without Parliament. You cannot strictly remember who gave it to you—

Mr JOSEPH TRIPODI: I have answered that.

Dr JOHN KAYE: It is Mr Cosgriff. Through you, Chair, to Mr Cosgriff, can you tell us on what basis you advised the Minister there was no need for legislation?

Mr COSGRIFF: The Government has the necessary legislative powers under the current legislation.

Dr JOHN KAYE: Did you seek legal advice to come to that point of view or did you just read the State Owned Corporations Act and the Energy Services Corporations Act and come to that conclusion in and of your own?

Mr COSGRIFF: No, to come to that conclusion we would obviously consult with the Crown Solicitor.

Dr JOHN KAYE: So you do have Crown Solicitor's advice?

Mr COSGRIFF: Yes.

Dr JOHN KAYE: Did you give advice to the previous Treasurer about whether he needed legislative change to achieve his privatisation or energy reform?

Mr COSGRIFF: It is a different transaction.

Mr JOSEPH TRIPODI: It is different transaction.

Dr JOHN KAYE: I am aware that it is a different transaction but I want to know whether you gave him legal advice as to whether or not he needed it?

Mr COSGRIFF: In all likelihood there was advice. I do not recall specifically whether it was me who passed on that advice.

Dr JOHN KAYE: Would that advice be in writing?

Mr COSGRIFF: I think so, yes.

Dr JOHN KAYE: Can we have a copy of the previous advice?

Mr COSGRIFF: I will take that question on notice.

CHAIR: In regard to the electricity reform program, obviously the Government had a plan for major privatisation that did not proceed through the Parliament. It is now going through a partial sale. Has that delay affected the sale price? Is the sale price better or worse now because of that delay?

Mr JOSEPH TRIPODI: Mr Nile, as every day passes we become more and more confident about the prospect of our successful execution. The privatisation that was contemplated previously is a different creature from the one that is currently being executed.

CHAIR: I understand that.

Mr JOSEPH TRIPODI: You cannot compare apples with oranges, but we are confident about being able to execute it.

CHAIR: In the current economic climate are you confident that you can get the best price?

Mr JOSEPH TRIPODI: Yes. In the past two months the financial advisers have come to me with confidence in recommending an initial public offering [IPO], given the current state of the financial markets. It is a good value proposition for taxpayers. On that advice, that has been embedded as a possibility within the transaction process. Increasingly, the advice is that the situation is good.

CHAIR: In general terms I understand that a figure of \$6 billion has been mentioned in the media. Is that a general ballpark figure?

Mr JOSEPH TRIPODI: I do not recall. I do not think that the Government put out that number, but I know it is often referred to. It is important to understand the values that come out of the process. There are two interesting elements: first, the final prices that we get will be the result of the different combinations of bids in the simultaneous trade and sale process. For example, if a bidder bids for a gentrader and a retailer and that bidder is successful in securing both, the bidder would pay a different price from the amount he or she received if the two assets were sold separately to different players. If you want to put a number on that, we would need to look at the configuration of assets from potential buyers before we established an exact number.

Second, unlike the previous Iemma-Costa model where there was a proposal to privatise the generator businesses, this Government is embarking on a gentrader arrangement and it is moving on a substantially lesser part of the business. There will be financial implications as to what will be the revenue to government. The Government made it clear that it will enable tenderers to come forward with an offer of an upfront payment for the gentrader contract, a series of periodic payments, or a combination of both. Let us say, for example, that tenderers came forward with a periodic payment proposal. That would mean that a dollar amount would not be transacted at one point in time; it would involve a series of payments. We cannot compare the types of revenue flows and proceeds to government from this type of transaction with the previous proposed transaction.

CHAIR: Does the proposed sale include a proposed site for a generator plant?

Mr JOSEPH TRIPODI: Yes. We have made available seven development sites and two of those sites—Tomago and Bamarang—have been given development approval. The other sites are in the process of having those approvals secured. As part of the simultaneous process you can purchase a site alone or in combination with other assets, and you can express that desire through the bidding process.

CHAIR: You said that the sites have received development approval. Would the plants be approved or would that involve another environmental assessment?

Mr JOSEPH TRIPODI: I understand that some but not all environmental controls will be embedded in the development consent.

CHAIR: If someone purchased them, would they be given a green light to go ahead and to build the generator plant?

Mr JOSEPH TRIPODI: The advice I have received is that those sites would be approved for the investment to proceed.

CHAIR: Would they have a choice about what fuel should be used—coal or gas?

Mr JOSEPH TRIPODI: We have made it clear that the Government's policy is to be fuel neutral. As much as possible we have sought to embed that within the development consent.

CHAIR: Under the Motor Accidents Authority the compulsory third party [CTP] scheme has been expanded to include at-fault drivers for the first time. Will that have any impact on the CTP insurance premium now or in the future?

Mr JOSEPH TRIPODI: Which drivers?

CHAIR: The CTP scheme has been expanded to include at-fault drivers for the first time. What impact would that have on the CTP insurance premium both now or in the future? Have some forecasts been prepared by the Motor Accidents Authority?

Mr JOSEPH TRIPODI: Historically, the green slip scheme has only covered people injured in road crashes caused by a negligent or at-fault driver. Under cost-sharing arrangements with the Department of Health, the green slip scheme pays the public hospital and ambulance costs for injured people covered by the scheme. At-fault drivers and riders represent a large proportion of those not covered by the green slip scheme. Of course, they still receive ambulance and hospital treatment and, currently, those costs are generally borne by the health system.

The Government has reformed the green slip compulsory third party insurance scheme to provide hospital and ambulance cover for at-fault drivers. Since 1 July this year, these costs are paid from the green slip scheme. This will deliver significant savings to the public health system for the benefit of the whole of the New South Wales community. From April 2010 the Government will extend the green slip scheme early accident notification process to cover those road users who are considered responsible for causing a motor vehicle accident. The early accident notification process provides reimbursement for up to a maximum of \$5,000 for medical treatment and rehabilitation expenses, and any lost earnings related to the accident or injury.

The major beneficiaries of this modest and responsible extension of green slip scheme benefits will be those injured vehicle drivers and motorbike riders who are currently excluded from the scheme because they caused the accident. The early accident notification process encourages all injured people to access early medical treatment with the goal of maximising recovery from their injuries. As well, the Motor Accidents Authority will now have greater flexibility in the adjustment of the levy, and that will raise the revenue to cover bulkbilling payments for the public health system. Motorists will also be eligible for a pro rata refund of their levy payment when a vehicle registration is cancelled, for example, in circumstances where a vehicle is written off as a result of an accident.

These changes are part of the Government's ongoing reform of the green slip scheme to fix gaps in the scheme and to enhance assistance to injured people. Expanded benefits already in place include treatment, rehabilitation and care for all children injured in motor vehicle accidents, regardless of whether the driver was at fault. The treatment and care costs for everyone severely injured in a motor vehicle accident are now covered for

the rest of their lives. There is an increase from \$500 to \$5,000 in the maximum amount that can be claimed through the early accident notification process. Injured people can now also claim for lost earnings from the time of their accident. Previously, the first five days of lost income could not be claimed. The Government's latest initiatives continue this reform process for improved assistance and benefits for people injured on our roads. They are measured extensions of the green slip scheme that deliver a road injury safety net result for all motorists so that all those who pay for the scheme receive early treatment and rehabilitation.

CHAIR: Repeating my question: What impact will that have on green slip premium prices—could it increase by 5 per cent or 10 per cent over a period of time?

Ms DONNELLY: When those amendments were first announced the Government indicated that the impact on the green slip price would be on average around \$10. The latest data I have confirms that it is within that estimate.

The Hon. KAYEE GRIFFIN: Minister, can you inform the Committee of the progress of the National Review of Occupational Health and Safety Laws?

The Hon. Matthew Mason-Cox: You can table that answer if you like, Minister.

Mr JOSEPH TRIPODI: It is actually worth sharing with everyone because it is significant reform about which the business community has been asking for a very long time and only made possible because of the cooperation that we receive from Kevin Rudd's Government, unlike the previous Federal Government. At the Council of Australian Governments meeting of July 2008 all States, Territories and the Commonwealth signed an intergovernmental agreement for regulatory and operational reform in occupational health and safety to deliver national harmonised legislation. This means national uniformity of the occupational health and safety legislative framework and a nationally consistent approach to compliance and enforcement. The implementation timetable for national uniformity of occupational health and safety laws has been brought forward one year to 2011. At the May 2009 Workplace Relations Ministers Council teleconference the Council agreed to a framework for uniform workplace safety laws across jurisdictions.

While New South Wales is pleased that union rights of entry to workplaces has been protected, it remains disappointed that other jurisdictions were not open to adopting key aspects of New South Wales law, including union right to prosecute and a reverse onus of proof. Despite arguing strongly, the majority of jurisdictions did not support either proposal. This being said, the national cooperative effort to harmonise workplace health and safety standards is a shared goal that can deliver real benefits for the State's businesses to increase productivity, lower costs and provide a healthier workforce. The Safe Work Australia Council is the new national tripartite body established on 31 March 2009 to improve workplace safety outcomes and workers' compensation arrangements across Australia.

The Council will lead the development of the national uniform occupational health and safety framework, being the model Act, regulations and codes of practice. The Council held its inaugural meeting on 10 June 2009 and will meet at least three times annually. The Council has established a strategic issues group to oversee work on the model legislation, especially model regulations, to ensure timeframes are met. The Workplace Relations Ministers Council is due to meet in late September to consider the exposure draft of the Act, the regulatory impact statement and the stage one regulations with a view to a six-week public consultation period. The New South Wales Government is strongly committed to the harmonisation of occupational health and safety legislation and will continue to focus on achieving the best possible outcomes for the health and safety of Australian workers.

The Hon. PENNY SHARPE: Can you inform the Committee about the role of the Council of Australian Governments [COAG] Business Regulation and Competition Working Group, especially in relation to cutting red tape across State borders?

Mr JOSEPH TRIPODI: I thank the member for her question and for the opportunity to inform the Committee about inter-jurisdictional aspects of the red tape reduction agenda. The New South Wales Government is working closely with the Commonwealth and other States and Territories through COAG to deliver a seamless national economy and to resolve the red tape issues that arise when doing business across State borders. New South Wales has high-level representation on the COAG Business Regulation and Competition Working Group, which is on track to deliver its extensive agenda across jurisdictional regulatory

reform. The working group has identified 27 priority reform areas that deliver significant benefits to State and national economies through increased efficiency, improved labour mobility and lower costs of doing business.

I would like to highlight some of the key reforms being progressed through the working group. The harmonisation of occupational health and safety laws is the top priority. The working group has worked hard to bring the timetable for national uniformity of occupational health and safety laws forward to 2011 and a draft Act is due to be released for public comment in late September. The Council of Australian Governments has agreed to develop a national system for the recognition of trade licences. The system will make it easier for New South Wales businesses to employ tradespeople from anywhere in Australia and easier for New South Wales-based tradespeople to access work in other States when the opportunity arises. Draft legislation will be released for comment soon. Initially this will cover trades such as airconditioning and refrigeration mechanics, and a range of building occupations relating to electrical, some aspects of land transport, maritime services, plumbing, gas fitting and property agents.

Financial reporting requirements of businesses will be streamlined radically by the Standard Business Reporting program. Standard Business Reporting taxonomy and tools for software developers were launched earlier this year and the Business Council of Australia is very supportive of the project. The program will save businesses around \$800 million each year. The working group also is continuing to develop a national construction code incorporating all building, plumbing, electrical and telecommunications standards from across Australia. Once complete this will mean the removal of overlaps between plumbing and building codes, a consistent performance-based approach and more opportunities for innovation. In addition to the 27 principal areas for reform and another 8 competition reforms, COAG has added some new agenda items to the working group's work plan this year.

One is reform of not-for-profit regulation. Not-for-profit groups make a significant contribution to both New South Wales and national economies. The working group is looking at ways to cut red tape for the sector, including a nationally consistent approach to fundraising that will make it easier to fundraise across State borders for nationally significant causes. The working group is developing a standard chart of accounts to streamline basic financial reporting to government agencies and report duplication of effort. Reform of the way the legal profession is regulated has also been added to the agenda this year. The working group's extensive agenda represents a significant package of red tape reforms. The New South Wales Government is committed to working with the Commonwealth, States and Territories to ensure an effective regulatory environment that keeps costs down for business and ensures that New South Wales remains a vibrant and competitive economy.

The Hon. KAYEE GRIFFIN: As part of the Government's reform plans for electricity, what protections have been put in place for consumers and employees?

Mr JOSEPH TRIPODI: The Government has put comprehensive protections in place for consumers and employees, including extended price regulation, increased pensioner rebates and payment assistance and employment guarantees. The Government's reform plans contain strong protections for electricity industry workers and additional help for pensioners, carers and low-income families. Existing power stations and electricity distribution networks—the poles and wires—will remain in government ownership and operation. Only around 10 per cent of workers in the Government's electricity businesses will be impacted. Permanent full-time or part-time award and enterprise agreement employees who are not offered positions or who do not want to accept them can choose to remain with their existing government-owned employer.

All impacted employees who accept an offer with the new owner or trader will be entitled to a generous transfer package. They will receive a generous transfer payment in an amount of up to 30 weeks pay. The precise level of entitlement will be dependent on longevity of service. Existing superannuation arrangements will be maintained at the same defined benefit or accumulation scheme. Any new employer will be required to contribute to each employee's superannuation scheme on the current basis as the existing government-owned electricity trading enterprise. Sick leave benefits will be protected; all accrued sick leave balances will be transferred to any new employer. Employees will be able to transfer or cash out any accrued annual or long service leave. Employees will receive recognition of past continuous service for the purpose of calculating future leave entitlements with the new employer.

The choice whether to remain in public employment or to move to the private sector will be up to each employee. No person will be forced to switch if they do not want to. As the Government has made clear on countless occasions, the State will retain ownership of the power stations, transmission and distribution networks. Staff who elect to remain in public employment will receive retraining and assistance with

redeployment in these government-run businesses. Retail price regulation will remain in place until at least 2013 or later until the Government is convinced that competition is doing its job in keeping prices as low as possible. The Government brought forward and introduced a \$272 million consumer protection package. The package commenced on 1 July this year and includes increased pensioner rebates with wider coverage and increased payment assistance measures.

Specific details of the consumer protection package are: \$65 million over five years to increase the pensioner energy rebate from \$112 to \$130 per year, indexed to inflation; expanded coverage of the rebate at a cost of \$27.5 million over five years to include additional groups so that more people can receive a rebate, particularly certain categories of health cardholders, such as carers who are looking after children under the age of 16; and increasing the energy payments assistance scheme with an extra \$55 million over five years. In addition we have allocated \$125 million over five years for the development of a customer assistance package.

Our energy reforms provide important safeguards for our employees and protections for customers. The Rees Government understands the community's strong concern to maintain competitive pressure on electricity prices. A competitive and sustainable power industry is the best way to do that, and achieving that requires further reform to our electricity market. The challenges of droughts, growing demand and transition into a low carbon economy make it more important than ever that the New South Wales Government implement its energy reform strategy. Our strategy will create investment environment to secure a reliable supply of electricity well into the future and introduce new competitive forces into our electricity market.

The Hon. HELEN WESTWOOD: Minister, can you please update the Committee on what the Government is doing to assist large businesses to manage their workers compensation costs in New South Wales?

Mr JOSEPH TRIPODI: Thank you very much for that question. The Government has been listening to businesses regarding their need to remain competitive. As a result, WorkCover began a consultation process in 2007 about an improved workers compensation premium method. On 30 June 2009 more responsive workers compensation arrangements were introduced for the largest employers in the State. The new method, which is designed to assist large employers enhance competitiveness, will also help to keep them within the New South Wales workers compensation scheme. The new retro-paid loss premium calculation method is based on commercial burning costs arrangements. The nominal insurer will calculate the premium. The policies will be issued and claims administered by employers' existing schemes.

Retro-paid loss arrangements provide strong incentives to improve workplace safety and outcomes for injured workers by offering more immediate financial rewards for active injury prevention, management and return to work. It has been offered to large employers with a basic tariff premium of \$500,000 or more as an optional alternative to the current premium calculations system. These arrangements are best suited to large employers because they have the capacity and resources necessary to manage and improve systems for injury prevention and management. The experience of these large employers can then be used to improve systems across the workers compensation scheme—a win for all employers and workers.

Initially 13 large employers were selected to have their premium calculated under the new arrangements. The feedback from large employers and industry has been extremely positive since the first retro-paid loss arrangements commenced in June. A limited number of additional employers will be considered over the remainder of the 2009-10 policy period. The gradual introduction of the new arrangements is necessary to allow for testing and refinement of the model before it is offered more widely. These changes are yet another example of the Government's ongoing commitment to work with business to strengthen the State's competitiveness, to promote investment and job creation, and to build business capability.

The Hon. PENNY SHARPE: Minister, what steps has the Government taken to progress a coordinated infrastructure delivery approach?

Mr JOSEPH TRIPODI: Thank you for the question. The creation of New South Wales Transport and Infrastructure is a significant contribution to improving coordinated infrastructure planning in the State. This will support a more holistic approach to planning and delivery of infrastructure. State infrastructure planning is undertaken in the context of the State Plan, the Metro Strategy, the State Infrastructure Strategy and the forthcoming Transport Blueprint. New South Wales Transport and Infrastructure will be the lead public transport agency of the New South Wales Government with primary responsibility for transport policy, planning and coordination functions as well as oversight of infrastructure delivery and asset management.

Not only will this support a coordinated and responsive transport infrastructure strategy for the State, but it will encourage the link between land use and transport planning across the State. Given that transport infrastructure drives our planning outcomes and development of other resulting infrastructure, such as water and utilities, schools and justice, this agency will be a linchpin of how the whole of government coordinated strategy will function. This explains the "and Infrastructure" in the title of this agency. New South Wales Transport and Infrastructure, led by its Director General Les Wielinga, will be responsible for getting a single direction for transport services and developing, with the Department of Planning, a single transport blueprint for New South Wales that integrates with urban growth and transport delivery.

A major review of the Sydney Metropolitan Strategy strategic directions and overall aims is due to be undertaken in 2010. The Department of Planning also is preparing a review of the Metro Strategy. From 2010, these key planning documents will go hand in glove and provide key management to the role of the State Infrastructure Strategy and the forward budget program. It will deliver better coordination of road and public transport services for the community, ensuring that infrastructure is built where the greatest need exists. Transport is one of the Government's higher priorities, with more than 10 per cent of the State's budget being invested in roads and public transport. The Government is investing more than \$3.5 billion in transport infrastructure this year alone. This new structure will ensure that taxpayers get the best value for money.

Further, the bringing together of the main infrastructure agencies under one umbrella will see a holistic approach to our infrastructure network, including rail, ports, intermodals and freight. With the Transport and Infrastructure superagency, New South Wales continues to get on with the business of delivering a record infrastructure program—the largest seen in this country for some 30 years. The Government is committed to improving public sector procurement processes for infrastructure investment. Following the Jobs Summit in February 2009, the Government is currently implementing additional reform initiatives in relation to infrastructure planning and procurement to eliminate multiple government approvals, improve coordination between agencies and reduce red tape.

While the Government has demonstrated its ability to deliver infrastructure, we recognise that infrastructure planning in the State can be better. We are doing something about this now and continue to look at ways of doing this better.

The Hon. KAYEE GRIFFIN: Minister, what is the Motor Accidents Authority doing to assist the Liberty Swings program?

Mr JOSEPH TRIPODI: Thank you for the question. The Liberty Swing is a great Australian invention that allows wheelchair and mobility impaired children to enjoy the playground fun of riding on a swing rather than simply sitting to the side and watching. The design of the swing permits a child in a wheelchair to safely and easily participate in playground recreational activities with other children. In April 2009 the Motor Accident Authority's board approved a grant of funding of \$225,000 for the purchase and installation of three fixed and three mobile Liberty Swings in New South Wales.

The decision to provide this grant follows on from the success of an early agreement allowing the implementation of three fixed swings in 2007 and 2008 in Bronte, Wollongong and Maitland. This program is being continued in partnership with the New South Wales arm of Variety, which is the children's charity that is responsible for the purchase and installation of the swings. Children who have suffered spinal cord or brain injuries as a result of motor vehicle accidents are unable to be involved in usual playground activities; but by funding innovative equipment, like the Liberty Swing, the Motor Accidents Authority is ensuring that children with disabilities can experience the fun and recreational activity of swinging on a swing.

In addition to the fun factor of Liberty Swings, they also provide an important therapeutic benefit to children with disabilities. Occupational therapists often incorporate the Liberty Swing into learning and therapy lessons. This is consistent with the Motor Accidents Authority's injury management role in the rehabilitation of children who have been injured in motor vehicle accidents. Funding of the Liberty Swings program also delivers upon goals within the New South Wales Government's State Plan to improve community participation, fairness and opportunity for people with disabilities.

One of the fixed swings will be located in Broken Hill, while the other two will be installed on the South Coast and in outer Sydney. The remaining three mobile swings will be based in high population areas, such as Western Sydney, Illawarra and Newcastle, making them readily accessible to disability groups and in

surrounding areas. It is anticipated that Liberty Swings will also be regular features at major events, such as the Royal Easter Show, the Hunter Regional Show and the Macarthur Disability Day. As well as the capital funding of liberty swings, the funding grant includes an allocation for delivery and installation, soft fall and fencing material as well as registration and insurance for the swing trailers for three years. The grant also includes a partial contribution to the swings' maintenance and cleaning costs.

The Hon. HELEN WESTWOOD: Will the Minister update the Committee on what the Government is doing to improve the approach to enforcing occupation health and safety in New South Wales?

Mr JOSEPH TRIPODI: WorkCover has positioned itself within the State's business community as an agency that provides advice and services to assist businesses in complying with their legislative obligations while maintaining community expectations of enforcement. This approach is consistent with the recently developed national compliance and enforcement policy, which was endorsed by every jurisdiction in the country. In undertaking compliance programs, WorkCover applies evidence-based processes to determine the most appropriate compliance approach for each safety issue. To support WorkCover's primary functions of prevention and response, the Occupational Health and Safety Division's Change Program was implemented in 2008. It provided a renewed focus on developing workable solutions to safety problems and developing relationships with industry.

WorkCover has the largest and most active workplace safety inspectorate in Australia, with a total of 314 inspector positions spread throughout the State in 25 metropolitan, regional and rural locations. The inspectorate plays a crucial role in delivering advice, education and practical assistance to the State's businesses, as well as applying sanctions to those employers who continue to be negligent in their safety obligations. Although WorkCover's compliance enforcement role remains critical to reducing serious injuries and illnesses, in reality employers are 20 times more likely to receive advice than any form of penalty. Inspectors use a suite of tools to guide employers to a greater understanding of how to manage their safety issues.

Confirmation of Advice Records were introduced by WorkCover in 2006 to focus workplace participants on safety issues identified in consultation with inspectors, along with suggestions to address those issues. During 2008-09, 2,445 Confirmation of Advice Records were issued. In addition, between December 2008 and May of this year WorkCover inspectors and advisory officers conducted 176 workplace advisory visits, 28 small business advisory forums, 645 public workshops and 163 managing for safety workshops. WorkCover continues to apply sanctions when breaches of occupation health and safety laws have occurred and when advice and assistance have failed.

In 2008-09 WorkCover concluded a total of 108 successful occupation health and safety prosecutions involving 96 defendants in 56 matters. The total fines awarded by the courts were over \$4.6 million. A total of 156 defendants were charged for breaches of legislation in 2008-09. As at 30 June 2009, 196 defendants were before the courts for breaches of safety legislation. This does not include matters before the Coroner or under investigation. WorkCover's renewed focus on the provision of the most appropriate compliance approach, be it advice or enforcement, is ensuring that there is a coordinated approach to improved safety outcomes in New South Wales. This focus has seen continued reductions in fatalities, serious injuries and illnesses within a transparent regulatory environment that is meeting community expectations. [*Time expired.*]

The Hon. GREG PEARCE: I have a few more questions on electricity. Have there been any underwriters appointed for the IPO yet?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: Will the existing advisers be eligible to be underwriters to the new IPO?

Mr JOSEPH TRIPODI: No, they will not.

The Hon. GREG PEARCE: They will be excluded? Have you set any reserve prices for any of the electricity assets?

Mr JOSEPH TRIPODI: I think I have already answered that question. Given that there is a whole range of possible different configurations of assets, the reserve prices are something that we will be able to better determine when we know the nature of the make-up.

The Hon. GREG PEARCE: For example, do you have a reserve price for the discrete development sites, pieces of land with development applications?

Mr JOSEPH TRIPODI: No, because there is a possibility that they would be in conjunction with a retail business, for example, or a Gentrader contract.

The Hon. GREG PEARCE: What will be the process to get to a settled price? Will you simply take the top bid? How will you make a decision about the correct price?

Mr JOSEPH TRIPODI: Once we know what the potential combinations are or what the actual final combination will be, then there will be the capability to assess what the valuation would be for that business.

The Hon. GREG PEARCE: Who will do that?

Mr JOSEPH TRIPODI: The bankers will be giving me advice on that.

The Hon. GREG PEARCE: The existing top—

Mr JOSEPH TRIPODI: Yes, the existing advisers.

The Hon. GREG PEARCE: Have they done any preliminary work on that basis?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: Have they given you a range?

Mr JOSEPH TRIPODI: No. As I explained earlier in my answer to Reverend the Hon. Fred Nile, you cannot compare apples with oranges. For example, a tenderer for a Gentrader contract may offer to pay a lump sum up front. Another Gentrader tenderer may offer to pay a series of periodic payments. So you cannot actually get a dollar amount to be determined at that stage.

The Hon. GREG PEARCE: But you are telling me that your advisers have not given you a range for those options. Mr Cosgriff, is that right? Is that correct?

Mr COSGRIFF: That is correct.

The Hon. GREG PEARCE: You do not have any range at all?

Mr COSGRIFF: No. We have not been able to get a range for that until such time as the Government finalises the strategy.

The Hon. GREG PEARCE: I am sorry?

Mr COSGRIFF: We have not had a range because the Government has not finalised the strategy, and it is the strategy that takes the parameters of the sale and therefore the assets.

The Hon. GREG PEARCE: Continuing around the circle, how will you finalise the strategy?

Mr JOSEPH TRIPODI: It will depend on what the bidders are asking for in terms of the mix and match of different assets. Once that is determined the bank is in a better position to determine what the value of that business would be in combination.

The Hon. GREG PEARCE: Has a model Gentrader contract been agreed at this stage?

Mr JOSEPH TRIPODI: Work is still ongoing on the Gentrader contract, but there has been a lot of progress to date.

The Hon. GREG PEARCE: So we do not have contracts, we do not have a strategy, we do not have any range of prices—

Mr JOSEPH TRIPODI: Sorry, why do we not have a strategy?

The Hon. GREG PEARCE: I asked you a moment ago if you could tell us what the strategy was because Mr Cosgriff said that there was no strategy yet. The Government has not determined one.

Mr JOSEPH TRIPODI: No, that is not what Mr Cosgriff said.

The Hon. GREG PEARCE: It is what he said. Mr Cosgriff, can you expand—

Mr COSGRIFF: We cannot determine the valuation until the Government has finalised the strategy, and finalisation of the strategy is outlined in large measure in the document the Government put out in September.

The Hon. GREG PEARCE: Did you pick up what he just said?

Mr JOSEPH TRIPODI: That is right. That is not what you just asserted.

The Hon. GREG PEARCE: You do not have a strategy yet?

Mr JOSEPH TRIPODI: No. We put the document out last week.

The Hon. GREG PEARCE: You do not have a contract?

Mr JOSEPH TRIPODI: No, we do not have a contract. We are working on the contract. This is for Gentrader.

The Hon. GREG PEARCE: Do you understand why people think this process has become very complex and is being bogged down and potentially will not achieve value for the people of New South Wales?

Mr JOSEPH TRIPODI: I think you are the only one who thinks that. In essence, what we are doing is redefining the New South Wales electricity market. We are redefining a new market structure.

The Hon. GREG PEARCE: What is the definition?

Mr JOSEPH TRIPODI: A new market structure with different players in it.

The Hon. GREG PEARCE: What is the structure?

Mr JOSEPH TRIPODI: Clearly it will be the end result of the process that we are undertaking at the moment.

The Hon. GREG PEARCE: So you are just sailing off into the ether and will come up with whatever.

Mr JOSEPH TRIPODI: I know that that is your simplistic understanding of what is going on—and you are confined to what you are capable of comprehending—but it is much more complex and involved than that.

The Hon. GREG PEARCE: It is much more complex.

Mr JOSEPH TRIPODI: That is right.

The Hon. GREG PEARCE: What guarantees can you give to the people of New South Wales that in your secret meetings with secret parties you have not given them any price-sensitive information or indications as to fees or any other sensitive information? What guarantee can you provide?

Mr JOSEPH TRIPODI: There was a whole range of people in the room who can confirm exactly what happened in each one of those meetings, so I would not be too concerned about it.

The Hon. GREG PEARCE: Is the range of people those whom you listed before who were on the trip?

Mr JOSEPH TRIPODI: That is right, in each one of those meetings.

The Hon. GREG PEARCE: How can you expect the people of New South Wales to have any confidence in this process? Given your past of mates' deals and nepotism, when you have this secret process, you do not have structures, you do not have price guides and you do not have contracts, how can the people of New South Wales have confidence in you running this process?

Mr JOSEPH TRIPODI: I will not dignify that question with an answer. It is offensive. You are offensive.

The Hon. GREG PEARCE: You will not answer. When will the contract be finalised?

Mr JOSEPH TRIPODI: We have made it clear that we would like to execute—

The Hon. GREG PEARCE: I am sorry, I meant the form of contract that you are putting out to the potential bidders.

Mr JOSEPH TRIPODI: That will be made available at the point that we go to tender.

The Hon. GREG PEARCE: Will that be before or after you open the data rooms?

Mr JOSEPH TRIPODI: It will be part of the opening of the data rooms.

The Hon. GREG PEARCE: So it will be ready when the data rooms are opened?

Mr JOSEPH TRIPODI: It will form part of what is in the data rooms, yes.

The Hon. GREG PEARCE: At the beginning.

Mr JOSEPH TRIPODI: Which will be next year.

The Hon. GREG PEARCE: You were going to say that you want to finish the process by the middle of next year?

Mr JOSEPH TRIPODI: First half of next year, and that is the trade-sale process we are referring to.

The Hon. MATTHEW MASON-COX: I understand that in the Ports and Waterways estimates hearing this morning you were asked about meetings with Graeme Richardson. I also understand that you could not recall exactly when, although you have met with Mr Richardson, and you could not recall the details of what you discussed. In the interim you may have had time to check your diary. Can you provide the committee with further details of those discussions with Mr Richardson?

Mr JOSEPH TRIPODI: I refer you to my previous answer.

The Hon. MATTHEW MASON-COX: Have you met with any other lobbyists in your time as a Minister? If so, when and in relation to what matters?

Mr JOSEPH TRIPODI: All Ministers meet regularly with lobbyists all the time. It happens almost on a weekly basis.

The Hon. MATTHEW MASON-COX: In the past two weeks what lobbyists have you met?

Mr JOSEPH TRIPODI: I will need to check my diary on that. On first recall I do not know whether I have met anyone in the past two weeks, given that Parliament has been sitting. If the situation is contrary to that I will come back to you.

The Hon. MATTHEW MASON-COX: Would you provide details of the lobbyists you have met in the last year as Minister?

Mr JOSEPH TRIPODI: I meet with lobbyists all the time. If you have got any issues about any of that then you should refer it to the relevant authority.

The Hon. MATTHEW MASON-COX: So you are not providing any details to the committee in relation to those?

Mr JOSEPH TRIPODI: I refer you to my previous answer.

The Hon. MATTHEW MASON-COX: Which is no?

Mr JOSEPH TRIPODI: I refer you to my previous answer.

The Hon. MATTHEW MASON-COX: In relation to the topic of the north-west and south-west development areas, why were infrastructure projects essential to improve access to employment for residents of western Sydney, in particular, the north-west and south-west rail lines, not included in the New South Wales Government's submission to Infrastructure Australia?

Mr DUNCAN: I understand that those projects, at the time that submission was made, were fully funded government projects, and the submissions were based on projects that the Government was requesting funding for. There was a list of those given in the submission in October.

The Hon. MATTHEW MASON-COX: Have you since provided another submission to Infrastructure Australia in relation to those projects when it became clear the Government would not fund them?

Mr DUNCAN: No, because the submissions had closed.

The Hon. MATTHEW MASON-COX: The opportunity was missed in that regard?

Mr DUNCAN: Yes.

The Hon. MATTHEW MASON-COX: In relation to essential infrastructure such as transport, railroads, bus lanes, health and education, what is the Government's policy so far as ensuring that that type of essential infrastructure is actually in place before land is released in north-west and south-west Sydney?

Mr JOSEPH TRIPODI: In essence, each one of those issues I work through with the Department of Planning and the respective agencies so it is probably a question better answered by the Minister for Planning.

The Hon. GREG PEARCE: Do you support the continuation of infrastructure levies in growth areas?

Mr JOSEPH TRIPODI: I support the Government's policy position, yes.

The Hon. GREG PEARCE: How did the Government make the decision to cancel the projects that were previously funded, the one about which Mr Mason-Cox asked earlier?

Mr JOSEPH TRIPODI: Some of those decisions were made as part of the mini-budget process, as I understand it.

The Hon. GREG PEARCE: You were part of that?

Mr JOSEPH TRIPODI: Yes, I am member of the Budget Committee, yes.

The Hon. GREG PEARCE: What factors did you take into account in making those decisions?

Mr JOSEPH TRIPODI: The biggest one would be our Government's commitment to trying to encourage economic growth.

The Hon. GREG PEARCE: How do you encourage economic growth by cancelling major infrastructure projects?

Mr JOSEPH TRIPODI: No, we encourage economic growth by reducing the levies to the parties involved and, as a consequence, hopefully encourage them to invest.

The Hon. GREG PEARCE: You might have missed my question. I asked what considerations did you take into account in coming to the decision to cancel those projects in the north-west and south-west which had previously been funded?

Mr JOSEPH TRIPODI: I think they are questions probably better directed to the Treasurer.

The Hon. GREG PEARCE: Why, because you do not know?

Mr JOSEPH TRIPODI: No, because I think that he would be the Minister most responsible for that. I was a member of the Budget Committee but final decisions with respect to expenditure in the content of budgets are the domain of the Treasurer.

The Hon. GREG PEARCE: How do you see economic growth being promoted by cancelling major infrastructure projects?

Mr JOSEPH TRIPODI: I refer you to my previous answer.

The Hon. GREG PEARCE: What was your previous answer?

Mr JOSEPH TRIPODI: You heard what my previous answer was.

The Hon. MATTHEW MASON-COX: You are the Minister for Infrastructure—?

Mr JOSEPH TRIPODI: That is correct—

The Hon. MATTHEW MASON-COX: without responsibilities, is that what you are saying?

Mr JOSEPH TRIPODI: No, that is not correct.

The Hon. MATTHEW MASON-COX: You are referring us to the Treasurer—

Mr JOSEPH TRIPODI: That is because you are asking about issues of capital expenditure that have been cut.

The Hon. GREG PEARCE: We are asking you in your capacity as Minister for Finance, Minister for Infrastructure, Minister for Regulatory Reform, and Minister for Ports and Waterways and a member of the Budget Committee of Cabinet. I am trying to get an understanding, as you participated in these matters and were part of the decision, how you came to the conclusion that cancelling major infrastructure projects would increase jobs and promote economic growth?

Mr JOSEPH TRIPODI: The Government does not apologise for the fact that it has been and remains committed to our triple-A credit rating. We believe that that is fundamental to giving confidence to the private sector to invest in New South Wales. The private sector looks very closely at the Government's capacity to manage its budget and act responsibly within its means, reassuring that the triple-A credit rating was secured, and is a very fundamental element in giving enough confidence to the private sector to be attracted to the State of New South Wales. That is the context within which the Mini Budget was formulated. Given that the triple-A rating has been restored to New South Wales, we believe that the very tough measures that were captured in that mini-budget process played a very important role to achieving the result that was secured by the Government. As a consequence, it acts to give confidence to investors to come to New South Wales.

The Hon. GREG PEARCE: Do you believe the infrastructure levies contribute to economic growth and jobs?

Mr JOSEPH TRIPODI: The reduction in them would encourage people to invest, yes.

The Hon. GREG PEARCE: Where have we seen evidence of that investment occurring?

Mr JOSEPH TRIPODI: You had better direct those questions to the Minister for Planning, who has responsibility for the levies directly.

The Hon. GREG PEARCE: Mr Schur, last year in the budget estimates hearing I asked you about the infrastructure levies and the reviews. You told us there was modelling and cash flows and documents that related to the calculation of those levies and the reviews. You undertook to provide copies of those documents to the committee. Why has that not occurred? Were you mistaken when you said that those documents you had authored existed?

Mr SCHUR: Mr Pearce, I would have to check exactly why I recall taking the question on notice. I do not personally then go and investigate the answer to your question. We have a clear policy to respond to questions on notice. I will have to get back to you as to why you did not get a satisfactory answer.

The Hon. GREG PEARCE: Let us have a look at it again. I asked you last time, "Was there Treasury modelling and cash flows?" You answered, "That would have been done by the Growth Centres Commission at the time, in consultation with Treasury." I said, "And Treasury would have that material?" You said, "Yes" and then I asked you whether you could provide the material and you said, "Yes." Why has it not been provided?

Mr SCHUR: I will have to get back to you.

The Hon. GREG PEARCE: That is what you said last year.

Mr SCHUR: Yes, but I do not know why it has not been done. When we take something on notice we commit to get back to you. If it has not been provided to you, Mr Pearce, I will find out why and we will get back to you on that matter.

The Hon. GREG PEARCE: In relation to the review of the levies I asked you, "Were you responsible for that assessment?" and you said, "I was responsible for coordinating it." I said, "So there is a report or something along those lines?" and you said, "Yes." Do you stand by your evidence last year that those documents exist?

Mr SCHUR: Can you refresh my memory as to what report you were referring to?

The Hon. GREG PEARCE: The report was in relation to the review of the levies. Last year you said, "I was responsible for coordinating it."

Mr SCHUR: Yes.

The Hon. GREG PEARCE: And then I said, "So there is a report or something along those lines?" and you said, "Yes."

Mr SCHUR: Yes.

The Hon. GREG PEARCE: Were you telling the truth then?

Mr SCHUR: Yes, I was.

The Hon. GREG PEARCE: So those documents do exist?

Mr SCHUR: Yes, but those documents may have formed part of the deliberations of Cabinet, which may be the reason why they were not produced. If that is not the case, we will endeavour to get that to you, Mr Pearce.

The Hon. GREG PEARCE: Mr Duncan, I think you are here representing Mr Lee. In response to an order for papers, Mr Lee wrote to the Clerk of Parliaments and said, "I am advised that NSW Treasury has conducted relevant searches and holds no documents which are required to be produced", referring specifically to the questioning of Mr Schur last time. Can you explain why those documents have not been produced?

Mr DUNCAN: I would have to look at the reason for that letter. I did not personally write the letter and I did not personally do the review.

The Hon. GREG PEARCE: Mr Lee is not here, is he?

Mr DUNCAN: No, he is not. I can check the reasons for the review.

The Hon. GREG PEARCE: Could you please do that, and Mr Schur, because frankly your honesty in giving those answers is now in question and I think that you need to respond properly to the questions by providing the documents.¹ Minister, have you done any reviews or comparisons between different States in relation to the infrastructure levies?

Mr JOSEPH TRIPODI: No, I have not.

The Hon. GREG PEARCE: Has the department or Treasury done any review of interstate models?

Mr SCHUR: I believe we have, Mr Pearce, yes.

The Hon. GREG PEARCE: Would there be a document existing which evidences that, Mr Schur?

Mr SCHUR: I am not certain. I can take that on notice, Mr Pearce.

The Hon. GREG PEARCE: Yes, and if there is one, Mr Schur, would you provide it to the Committee, please?

Mr SCHUR: Yes.

The Hon. GREG PEARCE: That is a "Yes" again?

Mr SCHUR: Yes, again if it complies with the requirements I will—we always do, Mr Pearce.

The Hon. GREG PEARCE: Minister, what is the process for undertaking a review of the State infrastructure strategy now, given that the strategy includes fundamentals such as the north-west and south-west rail links?

Mr JOSEPH TRIPODI: What is the process?

The Hon. GREG PEARCE: Yes.

Mr JOSEPH TRIPODI: As you know, the Government is in the process of developing a transport blueprint and that will assist as we go forward.

The Hon. GREG PEARCE: Who in the Government is preparing that?

Mr JOSEPH TRIPODI: Minister Campbell. Minister Campbell is the lead Minister and the Minister for Roads and the Minister for Infrastructure are consulted, and the Minister for Planning.

The Hon. GREG PEARCE: Given that the previous State infrastructure strategy is now basically out of date because of the changes in government policy, is there some priority in getting a review of the strategy?

Mr SCHUR: The State infrastructure strategy is a rolling 10-year strategy. It is updated annually and it is updated publicly every two years, and obviously it takes into account changes in government policy but also changes in demographic information that impact on the policy. The next public version of the State infrastructure strategy will be released in July 2010.

The Hon. GREG PEARCE: Do you not see any urgency in bringing forward the review and releasing a public review of the strategy? Do you think it is satisfactory to let it roll along?

¹ See Mr Schur's response in correspondence from NSW Treasury dated 16 November 2009, published by resolution of the Committee on 17 November 2009

Mr SCHUR: Yes, I think the fact that we update it publicly every two years does not mean we would not continue refreshing our policy and examining the policy priorities. The Minister has made mention of the new New South Wales Transport and Infrastructure Department, which will be developing a new transport blueprint in a very short period of time, and I think that would form a key component of the updated State infrastructure strategy.

The Hon. GREG PEARCE: As we sit here at the moment, the next time we will see a review of the infrastructure strategy is July 2010.

Mr SCHUR: Yes.

Dr JOHN KAYE: Minister, do you still stand by the statement made in May of this year that in Alberta, where the arrangements are most similar to those proposed for New South Wales, the arrangements are designed to increase competition in the generation sector and to promote new investment. That is to say, if I were to look overseas to see how it is going to work in New South Wales I would look at Alberta, Canada. Is that right?

Mr JOSEPH TRIPODI: Yes, and there are other examples of gentrader contracts here in Australia also.

Dr JOHN KAYE: But overseas Alberta would be the lead example?

Mr JOSEPH TRIPODI: Some of the characteristics of the Alberta system are very similar to what we are envisaging for New South Wales.

Dr JOHN KAYE: And the same benefits that they saw in Alberta?

Mr JOSEPH TRIPODI: Some of the benefits, yes.

Dr JOHN KAYE: Would those benefits include a five-fold increase in spot price when the system went live in 2000?

Mr JOSEPH TRIPODI: One of the reasons the Government is so committed to a new entrant is so that we can increase the amount of competition that exists in the national electricity market [NEM], in particular in the New South Wales region within the national electricity market, and so having the current three businesses become potentially five—

Dr JOHN KAYE: That is exactly what happened in Alberta. Was there not an increase in the number of businesses and still the wholesale market spot price went from 5 cents a kilowatt hour to 25 cents a kilowatt hour monthly average over a three-month period?

Mr JOSEPH TRIPODI: I do not know in what context that occurred. I do not know whether there were other causes.

Dr JOHN KAYE: Would you commit the State Government to a \$2.3 billion bailout—which was needed in Alberta in 2000 to stop price rises, and a \$2 billion bailout was required in 2002—to stop consumers seeing massive blowouts in their bills?

Mr JOSEPH TRIPODI: The Rees Government understands the community's very strong concern to maintain competitive pressure on electricity prices, particularly in the current economic climate. That is why the creation of a more competitive electricity market in New South Wales, which delivers real competitive benefits for families and businesses, is one of the key objectives of the Government's energy reform transactions.

Dr JOHN KAYE: I understand that, but you are not talking about Alberta. I was specifically asking you to address Alberta.

Mr JOSEPH TRIPODI: Sorry for having an element of distrust about your questions. I do not know in what context what you are saying occurred. I have no idea even whether what you are saying is accurate.

Dr JOHN KAYE: A minute ago you agreed that Alberta was the overseas model you would look at. Surely you have looked at Alberta?

Mr JOSEPH TRIPODI: No, you asked me—

Dr JOHN KAYE: So you have not looked at Alberta?

Mr JOSEPH TRIPODI: No, don't verbal me. You asked me are there similar cases where gentrader contracts had been designed and embedded in the system and parts of the Alberta system are very similar to what is occurring here in New South Wales.

Dr JOHN KAYE: In your document of May 2009 you refer to Alberta, where the arrangements are most similar to those proposed in New South Wales, and yet you do not know about the price rises that occurred in 2000 and 2002, and you do not seem to know about the bailouts required to stop consumer bills skyrocketing. What do you know about Alberta?

Mr JOSEPH TRIPODI: We are very confident that the energy reform strategy we are putting in place—

Dr JOHN KAYE: No, I was asking what you know about the Alberta experience.

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

Dr JOHN KAYE: Minister, let me take you to something you might know a little bit more about. I am fascinated to note that you do not know much about Alberta, but let me take you, so that you might know more about it, to the editorial in the *Financial Review* of 11 September, which is directly related to the Alberta case and refers to half-baked compromises to save the Government's skin. This is referring to your energy reform, which they say is almost certain to fail because of its manifest inadequacy and Byzantine complexity. Would you not agree that the gentrader model, wherever it has been applied around the world, has been marked by massive complexity and huge problems?

Mr JOSEPH TRIPODI: In the same newspaper on the same day Annabel Hepworth reported that the electricity portfolios are long overdue for break-up—that was the heading—and that the New South Wales Government's move to split its electricity generation portfolio was long overdue, so the Government's plan to break down the portfolios is a good thing if you go back to first principles about competition. The editorial comment was in stark contrast to the substantive stories that were in the newspaper.

Dr JOHN KAYE: You do not think the editorial comment reflects a widespread scepticism amongst the financial sector in New South Wales that what you are doing here is doomed to failure?

Mr JOSEPH TRIPODI: Since you are so keen to advocate for what the business community would like to see—

Dr JOHN KAYE: No, I am not advocating for them, I am debating the question.

Mr JOSEPH TRIPODI: You are, Mr Kaye.

Dr JOHN KAYE: I am not advocating.

Mr JOSEPH TRIPODI: Yes, you are.

Dr JOHN KAYE: I am asking you a question. You could answer the question.

Mr JOSEPH TRIPODI: It is quite clear that you are advocating for what the business community would like to see in terms of the reform strategy.

Dr JOHN KAYE: That is purely ridiculous, and you know my record—

Mr JOSEPH TRIPODI: Let me finish answering the question.

Dr JOHN KAYE: Rather than attacking me, why not answer the question?

Mr JOSEPH TRIPODI: I was going to get to that.

CHAIR: Let the Minister answer the question.

Dr JOHN KAYE: He was not answering the question.

Mr JOSEPH TRIPODI: Within the context of what your question is aiming for, there is no doubt that the business community would have preferred a wholesale privatisation for generators. If you are articulating the argument for them you are lining up with their position.

Dr JOHN KAYE: I am not articulating it.

Mr JOSEPH TRIPODI: It is presenting that way.

Dr JOHN KAYE: I am referring, from a consumer perspective, to the fact that what happened in Alberta is at risk of happening here. You are aware that the Australian Energy Regulator and the ACCC, of which it is a part, have identified the Trade Practices Act as being inadequate to deal with what they refer to as a thinly competitive electricity market. Are you aware of those criticisms?

Mr JOSEPH TRIPODI: I am aware they exist, yes.

Dr JOHN KAYE: Are you aware of where they come from and of the debate that has been around in the energy area for the past 10 years that the Trade Practices Act is inadequate to manage competitive electricity markets?

Mr JOSEPH TRIPODI: The Government's policy is that we will design a process that will bring a new entrant into the market. The purpose of that is to intensify the degree of competition that exists in the generation market. The Government is taking its own initiatives in order to intensify competition in the generation market. Also—

Dr JOHN KAYE: You are using the technique—

CHAIR: Let the Minister finish his answer.

Mr JOSEPH TRIPODI: Dr Kaye, I know you would like to regulate everything but there are actually markets that operate well and I dare suggest that since the formation of the National Electricity Market in Australia all consumers have been substantial beneficiaries of the intensification of competition between different generator businesses. We are now continuing down that road with that history of very successful reform to encourage competition and that is why we have made the decision to have five gentraders in competition with each other associated with our three generator businesses.

Dr JOHN KAYE: I put my next question to Mr Cosgriff. You will recall that you appeared before this Committee on Tuesday 18 November and in response to a question from me, referring to the gentrader model, you said:

... industrial relations is one of the potential issues that the risk of industrial relations issue would have to be addressed contractually, yes—in the same way that risks from an unforced outage from one of the units would have to be addressed.

Do you also recall that Mr Schur's predecessor as Secretary of the Treasury, John Pearce, said, "You need to involve the private sector in, as you say"—that is me—"very detailed decisions about how the plant is being operated because the public sector in this relationship is essentially the agent of the private sector." Do you still hold to those positions? Do you still believe that industrial relations is an issue that would largely be managed by the gentrader and that the public sector would purely be in a contractual arrangement with the private sector gentrader?

Mr COSGRIFF: I do not believe I ever said that industrial relations will be largely done by the gentrader. What I said was the Government had a decision to make as to whether an industrial outage would be the responsibility of the generator or the gentrader. Would it be a force majeure event that was therefore not the responsibility—

Dr JOHN KAYE: Have you made that decision?

Mr COSGRIFF: I think the Government has formed the view that the industrial relations are the purview of the generator and therefore the contractual obligations will fall on the generator rather than the gentrader.

Dr JOHN KAYE: The generator will take responsibility. The public sector generator will pay where there is an outage as a result of industrial relations activity in the station. They will pay the generator trader for the cost of energy forgone or any contractual costs.

Mr COSGRIFF: The generator will have a relationship with the gentrader where there will be an obligation on power delivery to the extent that if they cannot meet that power delivery for reasons that do not pertain to a force majeure event the generator will be responsible and bear a financial penalty.

Dr JOHN KAYE: That obligation will be at the spot price it obtains at the time of the industrial action?

Mr JOSEPH TRIPODI: No, it is capped.

Mr COSGRIFF: The penalty will be capped inside the contract.

Dr JOHN KAYE: At what rate?

Mr JOSEPH TRIPODI: We are still working on that.

Dr JOHN KAYE: Will we know what rate that is? Will that be a publicly known number or a confidential number?

Mr JOSEPH TRIPODI: We are still working on it at the moment.

CHAIR: Following up the questions regarding the electricity industry, earlier I mentioned the development sites that were potentially part of the sale and that the operator could choose to use gas or coal. What processes would have to be followed if the company wanting to tender for that to purchase them wanted to use nuclear power, as uranium is so freely available in Australia?

Mr JOSEPH TRIPODI: Nuclear power is illegal in New South Wales under the current State legislation, as I understand it.

CHAIR: That is why I asked the question about what process they would have to go through. They would have to ask the Government to repeal the legislation.

Mr JOSEPH TRIPODI: Yes, or they would have to ask the Government to amend its legislation to allow it to be legal.

CHAIR: Is there any procedure in place where that could happen?

Mr JOSEPH TRIPODI: It has never been raised with me as a possibility or a desire by any investor.

CHAIR: It never came up in all those meetings, even with American companies and so on that are involved with nuclear power?

Mr JOSEPH TRIPODI: Never.

CHAIR: That is probably because of the legislation.

Mr JOSEPH TRIPODI: I imagine they would assume that the legislation would prevail.

CHAIR: In regard to workers compensation and the Dust Diseases Board, this week the Bernie Banton Foundation has been established. What assistance, if any, will be coming from the Workers Compensation Authority towards assisting the establishment of that foundation?

Mr JOSEPH TRIPODI: On 21 January 2009, New South Wales opened the world's first standalone research facility dedicated to improving the prevention, early diagnosis and treatment of asbestos-related diseases. The Bernie Banton Centre, also known as the Asbestos Diseases Research Institute, was named in honour of Australia's foremost campaigner for the rights of asbestos victims and their families. Bernie Banton, AM, was a champion in the fight to increase awareness of dust diseases and the devastation these diseases cause to the lives of sufferers, their families and friends.

The centre is located at Concord Hospital and is operated by the Asbestos Diseases Research Foundation. A state-of-the-art facility with eight laboratories as well as education meeting rooms, the \$12 million centre will be a world leader in the race to develop a better means of diagnosis and treatment tailored to individual patients. The New South Wales Government committed \$8.5 million to the project, including almost \$7 million from the NSW Dust Diseases Board, to help construct the facility in partnership with the University of Sydney and the ANZAC Research Institute. I was particularly pleased to hear the Prime Minister recognise the support and commitment provided by the New South Wales Government and the Dust Diseases Board of NSW at the launch of the Bernie Banton Foundation recently.

Bernie played a pivotal role in campaigning for the establishment of a research institute for asbestos disease and has formed an important legacy about the need to raise awareness of the risks associated with occupational lung diseases. To assist the early diagnosis of lung diseases the Dust Diseases Board provides the nation's only mobile respiratory screening service through its Lung Bus, which travels to work sites across New South Wales. The Lung Bus is a subsidised service for employers and workers and is a one-stop shop that provides comprehensive screening for respiratory irregularities that have resulted from occupational exposure to hazardous substances, such as asbestos and crystalline silica. Screening services include an X-ray, lung function test and examination by a doctor, with results checked by a radiologist and specialist respiratory physician. Early detection and referral for respiratory abnormalities can save lives. Where evidence of a dust disease is found, workers are referred to the Dust Diseases Board for compensation screening. Screenings take around 15 minutes and the Lung Bus can screen up to 64 workers each day. Bookings can be made or more information obtained about the Lung Bus by contacting the Dust Diseases Board.

It is estimated that up to 20,000 Australians will be affected by asbestos-related disease over the next 20 years. This figure is multiplied when considering the effect on families. The Bernie Banton Centre will give hope to sufferers, their families and the community by dedicating its work to finding a cure for this terrible disease. The centre and foundation are fitting monuments and a token of national gratitude to Bernie Banton's personal sacrifice and contributions to the struggle to bring justice to those affected by asbestos-related disease.

CHAIR: It is excellent that the Government made that contribution of \$8.1 million. Will there be an annual contribution to enable that centre to function?

Mr JOSEPH TRIPODI: My understanding is that at the moment there is no commitment. If I need to update you further, I will. Obviously the Government is available to assist as much as it can.

CHAIR: As you are aware, the executives of James Hardie Pty Ltd were convicted in the courts and an announcement was made that they were planning to move to Ireland. Would this further endanger the company's commitment to meet the costs for asbestos victims in this State?

Mr JOSEPH TRIPODI: The issues relating to the dispute surrounding James Hardie primarily are dealt with by the Department of Premier and Cabinet. I will need to take that question on notice, but it might be better directed to the Premier.

CHAIR: Some statements have been issued relating to Bass Hill High School sportsground. Is the Government considering confiscating or repurchasing that land? Is there any further development from the Property Management Authority?

Mr WATKINS: That matter, which falls under the Department of Education and Training, is a matter that has been taken up directly by that department. I suggest you refer that matter to the Minister for Education and Training.

CHAIR: I was assuming that the department would refer the matter to you to do the property dealings. I do not think the department would normally do that.

Mr WATKINS: The State Property Authority now forms part of the broader Department of Lands and the Property Management Authority. We work in cooperation with a range of government agencies right across the sector. Since the July audit I have taken over the Authority and I am not aware of the details of the cooperation between the Department of Education and Training and my organisation, in its new form, relating to Bass Hill.

CHAIR: Will you take that question on notice and establish whether you will have an involvement in due course?

Mr WATKINS: Yes.

CHAIR: I am not referring to the decision that will be made; I am referring to the mechanics to be handled by you.

Mr WATKINS: Yes.

CHAIR: I refer again to electricity industry reform. In discussions about the potential price that you might get for electrical reform products, what impact will the Commonwealth carbon trading legislation have on the price when it is passed? Would it have any impact?

Mr JOSEPH TRIPODI: There is no doubt that it will act to the detriment of the potential asset values. Obviously we cannot quantify that until we get a more definitive outcome as a result of the implementation or adoption by the Parliament of the Carbon Pollution Reduction Scheme [CPRS]. There is no doubt that it will have a negative impact. The impact of the CPRS on government-owned generators in New South Wales will be the same regardless of whether their output is traded by the government-owned businesses or by the private sector. All Australian energy companies in both the public and the private sectors must run their operations in the context of the CPRS, and they are preparing to do so.

The New South Wales Government is tailoring its transaction structure to take account of that. The owners of the gen-trader contract will be exposed to CPRS liabilities for the electricity that they sell into the national market. They will also receive any compensation that would otherwise have been due to the government-owned generators. It is important to remember that the gen-traders are not buying the power stations themselves; they are buying the right to trade their output. The costs of generating electricity under the CPRS ultimately will be passed on to consumers, while the generating plant will continue to be owned by the Government.

The Government's energy reform strategy seeks to create a competitive and sustainable electricity market that will encourage private sector investment into the sector. The New South Wales Government strongly supports the Commonwealth's leadership on greenhouse policies, including the Carbon Pollution Reduction Scheme, and the expanding renewable energy target in meeting the challenge of climate change. The impact of the CPRS on the New South Wales government-owned generators will be the same, regardless of whether their output is traded by the government-owned businesses or by the private sector. However, liability for carbon permits and any associated compensation will be passed to the private sector under the Government's energy reform package.

CHAIR: Obviously there would also be an increase in the retail price of electricity. Have any calculations been made to determine whether that would be a 10 per cent increase, for example?

Mr JOSEPH TRIPODI: Not that I am aware of.

Mr COSGRIFF: Calculations have been made by the Commonwealth as part of its white paper process on the impact on prices from different CPRS modelling scenarios. I will take that question on notice and obtain better information for you.

CHAIR: Has a basic figure been agreed upon about what will be the percentage increase?

Mr COSGRIFF: A percentage number falls out of that modelling but I do not recall it specifically. I would rather take that question on notice and provide you with the detail.

The Hon. PENNY SHARPE: Minister, what is the Motor Accidents Authority doing to assist people who have suffered a whiplash-associated disorder as a result of a motor vehicle accident?

Mr JOSEPH TRIPODI: Whiplash injury is the most frequently recorded injury amongst compulsory third party claimants in New South Wales. Whiplash-associated disorder is involved in approximately 45 per cent of all claims and accounts for approximately 30 per cent of the total cost to the Motor Accident Scheme. In 2007 the Motor Accidents Authority issued revised guidelines for the management of acute whiplash-associated disorders. The authority also published a series of companion documents, including a consumer booklet for injured people who have suffered acute whiplash injuries in motor vehicle accidents.

The booklet, which is entitled "Your guide to whiplash recovery in the first 12 weeks after the accident", provides information about whiplash-associated disorders and the latest evidence-based treatments. It also includes a series of exercises to assist recovery. The booklet, which is distributed free to claimants by general practitioners, treating therapists, compulsory third party insurers, and the Motor Accidents Authority, is available in English, Arabic, Chinese and Vietnamese, and may be downloaded from the website of the Motor Accidents Authority.

In January 2008 the international Bone and Joint Task Force on Neck Pain published new research reporting the use of educational DVDs focusing on exercises as a more effective strategy for managing whiplash-associated disorders. In light of this new research, the Motor Accidents Authority commissioned the production of an educational DVD conveying the key messages and exercises contained in the whiplash booklet. The DVD will include an interactive menu containing a series of sections to which the viewer can return at any time through simple navigation. The DVD will also include a demonstration of exercises with voiceover instructions and additional material not currently contained in the consumer booklet about how to lodge an accident notification form or personal injury claim form.

People who have suffered acute whiplash-associated disorders as a result of motor vehicle accidents may be experiencing trauma, distress or pain. The DVD will present a reassuring and engaging message to these injured people. The DVD will be available from December 2009 and distributed in a similar way to the consumer booklet. It will also be possible to view the DVD from a link on the website of the Motor Accidents Authority. The total DVD production cost is approximately \$35,000. Over the period 2000 to 2007, the annual average total cost of compulsory third party claims involving a whiplash-associated injury was approximately \$240 million.

The Hon. KAYEE GRIFFIN: Minister, how has this Government demonstrated its capacity to deliver infrastructure?

Mr JOSEPH TRIPODI: The Government is delivering infrastructure for New South Wales. Total State capital expenditure of \$18 million in 2009-10 is at record levels—more than 2½ times that of the 1990s in real terms. Over the four years to 2012-13, State capital expenditure is estimated to total \$62.9 billion, 46 per cent higher than the previous four years, and committed across all major infrastructure areas—transport, water and sewerage, electricity, health, housing and education.

This Government has demonstrated its capacity to deliver. For example, with public transport there is the Epping to Chatswood rail line, which opened in February 2009 and is a \$2.3 billion project; the provision of 81 outer suburban carriages worth \$268 million; the upgrade of the Pacific Highway between Urunga and Coffs Harbour, \$233 million; four major hospital projects at Auburn Hospital, the Long Bay prison and forensic hospitals, and the Mater hospital at Newcastle worth \$471 million; 21 school projects providing upgraded and refurbished teaching and learning facilities, new halls and gyms, and trade school facilities including major upgrades at Caringbah High School, Ryde Public School and The Hills school, and eight TAFE projects worth \$186 million; five new police station refurbishments, office accommodation, information and communications technology, training facilities and other building works for the New South Wales Police Force worth \$170 million; 1,411 public housing dwellings worth \$341 million; various electricity infrastructure investments in generation, transmission and distribution worth \$478 million; and the redevelopment of Port Kembla inner harbour, which accommodates all motor vehicle imports, worth \$100 million.

The Government has successfully worked in partnership with the private sector to deliver parts of our capital works program by procuring over \$9.6 billion of new public infrastructure through privately financed projects since 2001. In addition to this State's record infrastructure commitment, we welcomed additional Commonwealth funds. We got on with the task of working with the Commonwealth to rapidly deliver the Stimulus Plan. This Government enacted the Nation Building and Jobs Plan (State Infrastructure Delivery) Act 2009 to ensure that any New South Wales priority project and the Commonwealth's Nation Building—Economic Stimulus Plan are delivered as fast as possible. We are on schedule and in front of other States in the rollout of our projects.

In 2008-09 seven dwellings were completed with construction of 705 dwellings commenced under stage one and stage two of the Jobs Plan. By June next year 851 dwellings will be completed as part of stage one. This represents more housing commitments than any other jurisdiction. Bob Leece was appointed as the New South Wales Infrastructure Co-ordinator General and is chair of a special task force of key agencies responsible for the coordination and delivery of these priority projects. He is well known as a key figure in delivering infrastructure for Sydney's best ever Olympic Games and the former chief operating officer of Tenix. New South Wales's work on the Stimulus Plan will support 24,000 full-time equivalent direct and indirect jobs each year for two years whilst fast-tracking priority social housing, education, road black spots and rail boom gates projects. This Government also has facilitated major private investments in infrastructure capacity, including a new coal terminal at Newcastle, a dedicated rail freight line to Macarthur and the upgrade of the Hunter rail corridor. This Government recognises that infrastructure underpins economic growth and the excellent living standards Australians expect. New South Wales continues to drive this country's infrastructure delivery capacity.

The Hon. HELEN WESTWOOD: Could you inform the Committee about the Better Regulation Office's progress in cutting red tape?

Mr JOSEPH TRIPODI: I sure can. Thank you very much for that question. The Better Regulation Office [BRO] has been operational for over two years now and I am very pleased with its achievements so far in slashing red tape across the State. One of the BRO's main pursuits is identifying and removing red tape from existing regulatory frameworks. It completed three red tape reviews in the past year. A review into occupational licensing resulted in the Government agreeing to remove seven unnecessary licences, saving New South Wales businesses over \$1 million a year. Legislation has now been passed that will remove the requirement for floor finishers and coverers, kit home suppliers, lift mechanics, optical dispensers and property inspectors to be licensed.

A joint review with the Department of Water and Energy into plumbing and drainage regulation led to a commitment to transfer responsibility for all aspects of plumbing regulation away from over 100 local water utilities to the Office of Fair Trading as well as the adoption of the plumbing code of Australia as a consistent set of rules across the State. The detail of the transition is being developed currently and should be in place by the middle of next year, saving time and money and making life simpler for plumbers. A review into how gas fitting, gas installations and gas appliances are regulated also will lead to a simpler approach. Legislation soon will be put before Parliament that will allow consumers and industry to access one regulator, the Office of Fair Trading, rather than working out which one of four currently responsible agencies they need to talk to. This review will make life easier for business and has strong support from industry.

The BRO also has three reviews currently underway. A joint review with the Department of Planning looking at promoting economic growth and competition through the planning system will ensure that new developments meet business, community and environmental needs as well as provide efficient economic outcomes. A second review is considering how to cut red tape for private businesses that are contracted by consumers to connect new developments to the electricity distribution network. The third review is into the Entertainment Industry Act, which regulates the professional relationship between performing artists and their representatives. With the removal of licensing for entertainment managers and venue consultants, we want to be sure that the regulatory framework protects performers and supports a vibrant arts scene in New South Wales. A big part of the BRO's work over the next two years will be meeting the Government's target to cut \$500 million of red tape by June 2011. The BRO will report regularly on progress in meeting the target beginning with the Annual Update due in October.

Agency CEOs are reporting every six months on what they have done and what they intend to do to reduce red tape in their portfolios. Going on constantly behind the scenes at the BRO is its commitment to gatekeeping work. In the past financial year the BRO reviewed 48 better regulation statements and regulatory

impact statements, a total of 121 Cabinet minutes and 186 Executive Council minutes. The Better Regulation Office also is serving an important role and function as a central place to which New South Wales businesses can go about red tape issues. The Better Regulation Office regularly communicates with its stakeholders through a quarterly newsletter. The office is a hard-working and dedicated unit, which in a few short years already has achieved major wins and I believe will continue to successfully deliver a robust regulatory reform agenda in New South Wales.

The Hon. PENNY SHARPE: Can you inform the Committee of initiatives WorkCover is undertaking to improve occupational health and safety, and injury management in conjunction with industry associations?

Mr JOSEPH TRIPODI: Once again, thank you for the question. WorkCover is committed to working in partnership with the New South Wales community across all major industries to achieve safer and more productive workplaces, effective recovery, return to work and security for injured workers. WorkCover values the critical role industry associations play in achieving these workplace health and safety objectives. In 2002 the New South Wales Government committed to reducing workplace fatalities by at least 20 per cent and workplace injury by at least 40 per cent by 30 June 2010. It is through the establishment of innovative initiatives such as WorkCover's industry partnerships that New South Wales currently is on track to meet these targets.

New South Wales in fact has achieved the lowest injury and illness rates for over 20 years. In addition, the incidence of work-related fatalities in New South Wales has more than halved over the past 21 years. The number of major partnerships currently managed by WorkCover include prominent associations for industries such as motor traders, builders, clubs, farmers, printing and, most recently, the boating industry, to name a few. Through these partnerships the Government has been able to assist in the delivery of successful workplace safety and workers compensation outcomes to the State's employers and employees. A partnership agreement is essentially a commitment by both parties to focus on the identification of high-risk workplace safety issues in the industry and the development of workable solutions to address these issues. It signals to employees and employers in the industry that both the Government and its association are serious about finding ways to improve workplace safety, workers compensation and injury management.

Agreements outline a number of specific activities that both the industry and WorkCover can work towards—from developing tailored workshops on workplace safety and workers compensation to improving guidance to the industry. It contains a framework that will assist WorkCover and the industry to work closely together and includes a service that will allow employers and employees in the industry to provide feedback on WorkCover services. This feedback is vital to the improvement of services. An agreement is also an example of how the Government is supporting and working with industry to develop practical, cost-effective solutions that deliver sustainable workplace safety outcomes.

As I have often said, safe business is good business. An investment in safety is an investment in business success. This is supported by leading economic consultants ACIL Tasman, who found that the 2001 workplace safety reforms led to an annual saving of approximately \$5.58 billion to the State's economy. Gross State Product increased by \$619 million in 2005 alone as a direct result of these reforms. This number will only increase each year as the positive trend improves. This positive trend has allowed the Government to cut workers compensation premium rates by an average 30 per cent since November 2005—a projected saving of almost \$1 billion in 2009-10 to the State's businesses. Partnership agreements set the way for a cooperative approach to working together to achieve safe and healthy workplaces and security for the State's injured workers.

The Hon. KAYEE GRIFFIN: Minister, what is the Lifetime Care and Support Authority doing to ensure that scheme participants receive quality attendant care services?

Mr JOSEPH TRIPODI: Thank you for the question. This is no doubt one of the Government's greatest success stories. Attendant care services comprise 60 per cent to 70 per cent of all services provided to participants of the Lifetime Care and Support Scheme. Attendant care services seek to assist people with disabilities to perform everyday tasks that they would normally do for themselves. This includes, for example, personal assistance, nursing, home maintenance and domestic services. Attendant care services enable injured people to live independently and to exercise basic rights about choice and lifestyle.

To ensure that participants of the Lifetime Care and Support Scheme receive quality attendant care services, in 2007 the Lifetime Care and Support Authority provided funding of \$50,000 to the Attendant Care Industry Association of New South Wales for the development of a set of national service standards for the

attendant care industry. The standard is known as the Attendant Care Industry Management System Standard and is designed to encourage the capability and capacity of the developing attendant care services sector.

Achievement of the standard by attendant care providers will substantially improve the quality of attendant care services delivered to the people of New South Wales. The Lifetime Care and Support Authority has provided further funding of \$181,600 to assist the association to develop a national attendant care industry management system standard certification program. In January 2009 attendant care industry management system standard was endorsed by the Joint Accreditation System for Australia and New Zealand, which is the national standards setting body. This means that organisations can now apply to become certified against the attendant care industry management system standard, which provides a national recognition of their quality efforts.

Certification is a three-year program involving two audits in the first year and then an annual surveillance audit for two years. Subsequent certifications require another four one-year audits followed by annual surveillance audits. Certification audits against the attendant care industry management system standard are undertaken by accredited certifying bodies. Any attendant care organisation may choose to become certified to the standard.

To ensure that the participants of the Lifetime Care and Support Scheme receive quality care and support services, the Lifetime Care and Support Authority is requiring all its attendant care service providers to achieve certification against the attendant care industry management system standard. I congratulate the Lifetime Care and Support Authority on its effort to enhance and improve attendant care services in the State of New South Wales.

The Hon. HELEN WESTWOOD: Will the Minister advise the Committee about the infrastructure capacity improvements that have been made by the Government?

Mr JOSEPH TRIPODI: The Government is investing in infrastructure to improve current outcomes for the people of New South Wales and also to provide the foundation to support and drive future economic growth. This includes over the next four years \$23.6 billion for transport, \$15.7 billion for electricity, \$5.4 billion for water and sewerage, and \$4.3 billion for housing. The Government has facilitated major commercial investments, including a new coal terminal at Newcastle, a dedicated rail freight line to Macarthur, and the upgrade of the Hunter rail corridor. Particular examples of projects that are directly linked to increasing the productive capacity of the State include the upgrading of port infrastructure, such as the third container terminal at Botany and an intermodal facility at Enfield at a cost of more than \$1 billion.

Other projects are the upgrade of the Northern Sydney rail line to accommodate more freight at a cost of more than \$800 million, an increase in the reliability and capacity of the CityRail network through the rail clearways program, including the quadruplication of the East Hills line to Revesby; the construction of the South West rail link to Leppington; the construction of the Sydney Metro, which will significantly improve access to and within the central business district; and new road infrastructure costing \$10.8 billion over the next four years, including \$3.2 billion for the Pacific Highway, \$1.5 billion for the Hunter expressway, and \$1 billion for the southern Hume duplication.

Spending on increased physical capacity is only one of the tasks to ensure that infrastructure capacity improvements occur. Microeconomic reform by investing in productive capacity and efficient use of existing infrastructure is the focus of this Government. This makes the best use of existing assets and ensures value for money spent going forward. For example, we introduced legislation that requires port corporations to facilitate improvements in the supply chain coordination and to enhance port competition.

Port reforms are the most extensive and innovative this country has seen in the last 30 years. We are opening up stevedoring at Port Botany to competition through an internal tender for a third operator to break the existing duopoly. We have modernised the stevedore lease model, creating transparency in terminal operations and imposing minimum performance standards. We continue to lay the groundwork for economic growth by investing in existing and future infrastructure capacity.

The Hon. GREG PEARCE: I have some WorkCover questions. What has happened to Mr Blackwell?

Mr JOSEPH TRIPODI: The contract for the chief executive officer of the WorkCover Authority expired on 14 August 2009. The incumbent, Mr Jon Blackwell, elected not to pursue an extension beyond that

date. Mr Blackwell held the position of chief executive officer for the past six years. I wish him well with his future endeavours. Recruitment of a new chief executive officer is currently underway.

The Hon. GREG PEARCE: What role did Mr Blackwell play in the tendering process for the appointment of scheme agents?

Mr THOMSON: Mr Blackwell's role in the process was very limited. There was an evaluation panel put in place which had two WorkCover staff and three independent people on it. He was informed of updates on the way through, up until about February when there was no further involvement.

The Hon. GREG PEARCE: Can you outline what has happened in that tendering process?

Mr THOMSON: The tendering process is completed. The seven respondents in the process have gone through the process. They have all been reappointed for five years commencing with the new contract on 1 January 2010.

The Hon. GREG PEARCE: Who did you say evaluated that tender?

Mr THOMSON: There was an evaluation panel put in place, which had two WorkCover people involved and three independents, who did the evaluation. They report to the delegates of the nominal insurer, being Sue Clark. She made the final decisions in relation to those contracts in July.

The Hon. GREG PEARCE: Was there at any stage a re-tendering of the process? Did the process stop and restart at any stage?

Mr THOMSON: The process was delayed at a point in time, yes, and there was a process for the tenderers to update their initial responses through that process. That was evaluated as part of the process by the evaluation panel.

The Hon. GREG PEARCE: Was that evaluation panel in place from the very initial stages of the tender?

Mr THOMSON: The evaluation panel was put in place in February 2008. It was appointed then and it saw the whole process through to the very end.

The Hon. GREG PEARCE: Was the tender process advertised?

Mr THOMSON: It was a limited tender to the existing agents operating in the marketplace.

The Hon. GREG PEARCE: To the seven existing agents?

Mr THOMSON: The existing seven.

The Hon. GREG PEARCE: Can you give us the names and positions of the members of the evaluation panel?

Mr THOMSON: I was the chair of the evaluation panel. Narelle Caldwell, Director of Agent Operations, was a member of the panel. There was Peter English from Treasury. There was Harry Neesham, who is the previous CEO of Western Australian WorkCover, and Shelley Broxom, a staff member of Ernst and Young.

The Hon. GREG PEARCE: Was there any issue at any stage with Mr Blackwell having any conflict of interest in relation to the tender?

Mr JOSEPH TRIPODI: As part of the scheme agent tender process, an independent probity adviser was engaged at its commencement and involved in all stages of the process. The probity adviser provided a detailed briefing for all scheme agent principals of the WorkCover board and executive, all staff of the workers compensation division and other WorkCover staff involved with scheme agents on operational issues or the preparation and evaluation of the tender. Each person who received a briefing signed a probity declaration,

which confirmed their understanding of the probity requirements and that they would not divulge any of the details of the tender process to a third party. A register of any issues or declarations was also maintained.

In June 2009 a delegation regulation was gazetted that allowed for the appointment of scheme agents to be made to a part-time member of the WorkCover board. The former WorkCover chief executive officer subsequently delegated this power to Ms Sue Clark, a part-time member of the WorkCover board. Ms Clark held the nominal insurers delegation in respect to the tender process from mid-June 2009 until it was finalised in late August 2009. This was done to ensure that there was no suggestion of a conflict of interest that could impact the tender and ensure continuity of the process during the period of organisational change.

The Hon. GREG PEARCE: Is the conflict of interest we are talking about the fact that Mr Blackwell was not going to renew his contract? Was that the conflict of interest?

Mr JOSEPH TRIPODI: No, it was not in relation to that.

The Hon. GREG PEARCE: What was it in relation to?

Mr JOSEPH TRIPODI: I refer you to that answer. It was to ensure that no suggestion of a conflict of interest could impact the tender and ensure continuity of the process during the period of organisational change.

The Hon. GREG PEARCE: Did Mr Blackwell disclose a conflict of interest to the probity auditor or to you?

Mr JOSEPH TRIPODI: In essence, my recollection of the situation was that there was a certain organisation that Mr Blackwell was involved with, and in order to manage any perceived conflict of interest we thought it was best to go through the process that was undertaken so that that perceived conflict could be managed.

The Hon. GREG PEARCE: Was that organisation associated with his wife?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: Mr Thomson, can you outline the authority's current information technology [IT] projects and what progress is being made on those projects?

Mr THOMSON: We have a range of information technology projects underway. One of them relates to what we call the corporate data repository and the like.

The Hon. GREG PEARCE: I was more interested in the licensing system and the upgrades of systems technology and hardware. Specifically, why did WorkCover think it necessary to be investing in creating its own programs and IT systems?

Mr THOMSON: The provision of licensing services to the people of New South Wales is recognised as being a front-line service. WorkCover completed a review of the government licensing system in 2005 and again in 2007, and determined that the government licensing system solution would not align with the legislative framework required for WorkCover licences.

The Hon. GREG PEARCE: That is the point I was trying to go back to. Can you expand on what that means?

Mr THOMSON: I will try to do that for you. The issuing of WorkCover licences is more procedure based, relying on proof of identity, internal approvals and the use of third party providers to assess suitability. The government licensing system is aligned to the more process-based licences. WorkCover advised the Department of Commerce on each occasion of the outcomes of its review, and we are currently upgrading the existing licensing system to better enable work flow and compliance to align with the Government's objectives of more efficient client services, cutting red tape and reducing duplication.

The Hon. GREG PEARCE: Who conducted the reviews you mentioned in that answer? Was it internal or external?

Mr THOMSON: There was an internal review undertaken by the internal IT people within WorkCover.

The Hon. GREG PEARCE: Who is managing the process now?

Mr THOMSON: It is a combination of two gents; Rob Gray and John Watson are overseeing that.

The Hon. GREG PEARCE: To what extent are you using outside consultants to manage the process?

Mr WATSON: No outside consultants are being used at all to manage the process.

The Hon. GREG PEARCE: So it is all internal.

Mr WATSON: Internal.

The Hon. GREG PEARCE: Mr Watkins, last year Ms Skewes was unable to tell us about a review that took place at that time when the State Property Authority was merged with another property office. Can you outline what has happened in relation to the State Property Authority and how it fits in with your authority?

Mr WATKINS: As a result of the administrative reform in July of this year, the State Property Authority became part of the new Land and Property Management Authority. It currently forms one of four divisions within the authority. I have assumed the role as chief executive of the authority as the employer of staff with the authority. We are now looking at operational efficiencies, particularly with business support areas, while looking at synergies across the whole business portfolio of property management.

The Hon. GREG PEARCE: Do you have any targets for achieving any of those efficiencies?

Mr WATKINS: No, it is early days; this has come together in the past six to eight weeks. We will be establishing targets as an organisation, along with the relevant Minister, in the next few months, leading up to some clear financial targets both in the property area and in business reform for the next 12 months.

The Hon. GREG PEARCE: My recollection is that the State Property Authority is formed under its own piece of legislation. How have you taken over that authority?

Mr WATKINS: Like many organisations, they have pieces of legislation. Some have many; others have one. This authority under its own piece of legislation actually forms the authority but the employer of the staff does not come under the purview of that legislation. So in its former ilk, the authority's staff were employed by the Office of the State Property Authority, which effectively now has become the Land and Property Management Authority. So the legislation under which the State Property Authority was operating continues to be, and it operates now in the same functional form but as a division within a much larger organisation.

The Hon. GREG PEARCE: Mr Watson, have you had to take on any extra staff, any temporary staff or any other staff on the IT projects?

Mr WATSON: I will have to take that on notice. I could not unequivocally answer that question.

The Hon. GREG PEARCE: What I am trying to get to is what additional costs have been incurred on the IT projects through the use of outside consultants or staff.

Mr WATKINS: Specifically for the licensing projects you are talking about?

The Hon. GREG PEARCE: And the hardware project. Mr Thomson, for clarification, do you or any member of your family have any interest or association with any of the companies that tendered for an agency contract or any company that provides provider services to any of those tendering for contracts?

Mr THOMSON: No, I do not.

The Hon. MATTHEW MASON-COX: In relation to promoting economic growth and competition through the planning system inquiry, which you often do in the Department of Planning, have you received any submissions from property development groups? If so, can you provide the Committee with details of them?

Ms BEATTIE: Yes, we have received submissions from property development groups. I will take it on notice and give you the details.

The Hon. MATTHEW MASON-COX: Are they published on the website?

Ms BEATTIE: They will be at the conclusion of the review.

The Hon. MATTHEW MASON-COX: Will all the submissions you received be published on the website?

Ms BEATTIE: Yes, unless they have specifically requested not to be.

The Hon. MATTHEW MASON-COX: You are conducting this inquiry and at the same time we have the Government releasing a draft Centres Policy, which is particularly on point. Is there any reason why that is happening? At the same time there is a State Development inquiry into the planning system. Where is all this going? Are you going to coordinate your responses with these other lines of inquiry?

Ms BEATTIE: Yes, we are. The issues paper for the Better Regulation Office review referred to the Centres Policy Review. It is a joint review with the Department of Planning so we are working on our recommendations and we are hearing submissions in light of both.

The Hon. MATTHEW MASON-COX: In relation to the \$500 million slashing of red tape by June 2011, how do you measure that sort of amount of money?

Ms BEATTIE: It is \$500 million red tape savings for business and the community. The Better Regulation Office has a measuring tool called, "Measuring the Cost of Regulation" which is available on our website. It details all of the types of administrative costs, compliance costs and others that are included in the target. For the \$500 million we will be using a net present value of using those methods from the time that those reforms are implemented up until the end of June 2011.

The Hon. MATTHEW MASON-COX: What is your level of confidence in that estimate being in the ballpark?

Ms BEATTIE: Our first report against the target will be coming out in October this year.

The Hon. MATTHEW MASON-COX: I noticed in the "Annual Update: Removing Red Tape in New South Wales" that you refer to one of your successes being simpler and more streamlined local environmental plans to reduce council administration costs as well as developer holding costs, et cetera. It certainly is a matter of record that the local environmental plan process is a quagmire for the Department of Planning. I wonder how on earth you can point to that as a success. How would you measure that?

Ms BEATTIE: A whole range of reforms will contribute to the target. It includes the reforms right across government, both the targeted reviews and the reforms of the Better Regulation Office. There are obviously significant reforms going on in the Planning portfolio but also right across government.

The Hon. MATTHEW MASON-COX: Do you take credit for those?

Ms BEATTIE: No.

The Hon. GREG PEARCE: The Minister does.

The Hon. MATTHEW MASON-COX: They will feed in, in some way, to measure a success or a saving?

Ms BEATTIE: The Better Regulation Office reports the red tape savings that are happening right across government. It is every agency's responsibility to reduce red tape, and as of April this year the

Government announced that chief executive officers of key government departments will report on their red tape reduction activities.

The Hon. MATTHEW MASON-COX: Will you also make that public?

Ms BEATTIE: All of the red tape reduction reforms are reported in our Annual Update.

The Hon. MATTHEW MASON-COX: It is terrific to hear good news about reducing red tape in New South Wales. I suppose, we hear the news but we also hear from business groups, particularly the New South Wales Business Chamber, about businesses spending 20 hours a week on compliance and still being very upset. There is a lot of red tape still out there! How do you reconcile the two?

Ms BEATTIE: The Business Chamber called for a target to reduce red tape, and that is what the Government has announced. We meet regularly with business groups and ask for their concerns about red tape. Again we have targeted reviews that investigate specific areas that often have been raised by business groups or that we know opportunities to cut red tape exist.

The Hon. MATTHEW MASON-COX: Do you agree there are plenty of opportunities?

Ms BEATTIE: Sure.

The Hon. MATTHEW MASON-COX: In its Reclaiming First Symposium the Business Chamber identified the area of payroll tax. I note apprentices and trainees used to be exempt from payroll tax. There seems to be an issue that when somebody takes on trainees they have to pay the payroll tax under the definition and then claim it back in the subsequent year. Are you aware of that issue?

Ms BEATTIE: No, I would have to look into it.

The Hon. MATTHEW MASON-COX: Perhaps you will take that on notice and give us your thoughts in that regard.

Ms BEATTIE: Yes.

The Hon. MATTHEW MASON-COX: The Minister mentioned the need to look at reducing business red tape from a COAG point of view as well. In relation to workers compensation we have independent contractors treated in one way for Commonwealth tax purposes yet they are treated as employees for workers compensation purposes. Do you see any benefit in streamlining the definitions across State and Commonwealth levels to ensuring consistent compliance?

Mr JOSEPH TRIPODI: There is no doubt that that is an issue that confronts employers, and it has come to my attention in the past. Sorting out the exact solution in that area is extremely difficult. As I have often said to people who have raised it with me, if they have a view about how this potentially can be reconciled we are quite keen to listen to it. There has already been some substantial progress in some centres around the payroll tax issues and different definitions. But there is no doubt there is still a challenge to try to reconcile the different definitions of a worker under the different types of legislation. But in terms of working out the potential answer, I would agree that this is a very difficult area of reform and it would require federal cooperation, and it is something worthy of pursuing.

Dr JOHN KAYE: For the seven development sites for power stations, can you provide a range estimate of greenhouse gas emissions, the lower end being that they are all gas, the upper end being those that could be coal or are coal?

Mr JOSEPH TRIPODI: I would like to be able to do that. I think probably the prospect of being able to do that would become more firm at the end of the development approval process for the five remaining sites.

Dr JOHN KAYE: Is Munmorah one of those seven sites? Never mind. Let us just take Mount Piper and Bayswater. Given those two stations, given the fairly detailed development applications have been submitted which outline the technologies being used and given the data provided particularly in the appendices to the Owen Inquiry, it is about a 15 minute job to estimate the greenhouse gas emissions using that data. It is a

fairly accurate estimate of what the greenhouse gas emissions would be, presuming a 90 per cent capacity factor, which is the technical limit suggested in the Owen Inquiry. If you do that, what numbers do you get?

Mr JOSEPH TRIPODI: I have not done that exercise so I could not answer that question.

Dr JOHN KAYE: We are proceeding with a restructuring of the energy industry without any idea of what the additional greenhouse gas emissions will be as a result of that?

Mr JOSEPH TRIPODI: I made it very clear in previous references that the Government of New South Wales supports a Carbon Pollution Reduction Scheme reform program. Within that reform program there will obviously be incentives to reduce the amount of carbon output. We would be supportive of the implementation of that, and I do not need to tell you already, of course, that New South Wales had one of the world's first carbon trading systems anywhere, and it has achieved good results under that system. They are questions probably better directed to, possibly, the Minister for Energy.

Dr JOHN KAYE: It is your department and you are pushing the energy reform, therefore, do you not have responsibility to have an understanding of the greenhouse impacts of doing that?

Mr JOSEPH TRIPODI: I do have a responsibility in a general sense but whether it is a public sector generator that was built, or a private sector generator that was built, depending on the technology, of course, assuming they used state-of-the-art technology then it would be the same amount of carbon emissions.

Dr JOHN KAYE: Mr Schur and Mr Cosgriff, have any estimates have been made within your department of the greenhouse gas implications of these seven development sites?

Mr COSGRIFF: There are rough estimates, which I have not got available, about greenhouse gas emissions from certain classes of technology like supercritical and ultra-supercritical. The precise greenhouse gas outputs depend not only on the technology but on the ambient temperature and therefore the location of the specific power stations.

Dr JOHN KAYE: Yes, but those data were in the submissions of the Department of Planning for the development application. All those data were there. Your department has not done any calculations or any scoping studies on greenhouse gas emissions from the new power stations of which your reform process is specifically designed to encourage construction.

Mr COSGRIFF: As you say, to the extent that there are answers to that question, the proponents have developed those answers and put them into their submissions.

Dr JOHN KAYE: Given the two largest are from the Government itself and given that they did not have a tonnes figure—they had data in there, but no millions of tonnes figure—have you done the millions of tonnes figure?

Mr COSGRIFF: I personally have not calculated the millions of tonnes figure.

Dr JOHN KAYE: Has your department done that figure?

Mr COSGRIFF: I can take that on notice and check whether we have those numbers.

Dr JOHN KAYE: Thank you, I appreciate that. Minister, in your gentrader fact sheet that you put out on 10 September you refer to owners of gentrader contracts having the opportunity to invest in an existing plant to extend its life, improve efficiency, et cetera. The key word is "invest". If I own a gentrader contract and I decide that I want to extend its life or improve efficiency or reduce emissions, can I actually buy a part of that plant?

Mr JOSEPH TRIPODI: No, you can invest in the plant, add to the capital stock of the plant, and involved in that would be negotiations with the generator business about the nature of where the benefits will fall and the distribution of those benefits.

Dr JOHN KAYE: How is that different from taking a partial equity position in that plant?

Mr JOSEPH TRIPODI: The benefit that will be derived by the gentrader will take the form of potentially an extension in the period of the gentrader contract or it could take the form of more firm output that is committed by the generator to the gentrader so that the level of output that they could rely on in terms of firm output could be increased.

Dr JOHN KAYE: So you are saying there is no equity position being offered here?

Mr JOSEPH TRIPODI: No, there is not an equity position.

Dr JOHN KAYE: I am giving them money, in return for which they are giving me an extension of my contract.

Mr JOSEPH TRIPODI: Potentially, or let's say, for example, if there is an investment in carbon reduction methods, you would be reducing your own carbon cost that you are responsible for. In essence, that would be the way that we foresee that benefit would be returned to the investor.

Dr JOHN KAYE: If I am the generator trader I hand over the money with nothing in return other than—

Mr JOSEPH TRIPODI: Well, you get the benefit of that investment.

Dr JOHN KAYE: No equity.

Mr JOSEPH TRIPODI: No. It is a very substantial benefit you will receive in terms of an extension of the life of the contract or high levels of firm output or potential carbon cost reduction.

Dr JOHN KAYE: Could I ask you for not the actual data but an indication of and, taken on notice, possibly a list of the data that will be available in the data room? That is to say, what is the nature of the data that will be available? Will it include the entire cost structure of the generators?

Mr JOSEPH TRIPODI: In order to give an accurate answer, we will come back to you and give you what we believe we can give you, so we will take that question on notice.

Dr JOHN KAYE: When you say you will give me what you believe you can give me, is that the whole list of the data? I do not want the data itself, just the data fields.

Mr JOSEPH TRIPODI: Sure, we will come back with the data fields.

Dr JOHN KAYE: You will be able to give the entire data fields?

Mr JOSEPH TRIPODI: I will take the question on notice and I will give you as much information as I believe we can without prejudicing the process.

Dr JOHN KAYE: Can I ask how is it that you can expose that amount of data to a variety of different participants and potential participants in the industry without destroying the competitive advantage of some of the publicly owned generators?

Mr JOSEPH TRIPODI: Which publicly owned generators?

Dr JOHN KAYE: All of them.

Mr JOSEPH TRIPODI: The ones interstate?

Dr JOHN KAYE: Presumably what you are giving—

Mr JOSEPH TRIPODI: Okay, I understand the question. The publicly owned generators will not be in competition with the gentraders. Each gentrader, which is attached to each plant, will be the sole trading agent.

Dr JOHN KAYE: So how do you expose all of that data without destroying potential competition between the putative gentraders? Mr Cosgriff and I may be two owners, but I now know all of his cost structure. That data is kept very secret. In the current industry structure it is data that is held very closely.

Mr JOSEPH TRIPODI: Okay, but one of the reasons why we would like to keep the contract of sale of the gentrader contracts in confidence would be because the value payments, which is one of the three forms of payments going to the generator, would be the biggest cost and that would not be something that we would be releasing. In essence you will be making an assessment about some of the operating costs, but your biggest costs would be the lump sum up front or the periodic payments, and we would intend to keep that commercial-in-confidence. Mr Cosgriff might be able to add further on that.

Mr COSGRIFF: I would just add one thing. While we still have not worked through the details of this, I would refer to it as a two-stage due diligence process where there would be material made available to all bidders who would sign confidentiality agreements around that. There would also be some potential data that would be black-boxed and only revealed right at the final stage of the negotiations, and presumably only revealed to the bidder who ends up being the successful bidder, so that those confidential issues will be managed through the way the due diligence is constructed.

Dr JOHN KAYE: Are you saying the data room will not be a one-off thing, that the data room will be staged?

Mr COSGRIFF: The data room will be a one-off thing in the sense that there will be information there, but there might be information that is flagged that will be made available right at the end of the process if it is in the best interests of the State and the purchaser that that information is not widely known to the entire bidding field [*Time expired.*].

CHAIR: For some time there has been some controversy over the new Newcastle coal loader and conflict between the owners and potential users. Has that been resolved?

Mr JOSEPH TRIPODI: We are working quite diligently on that and I am happy with the progress. We remain hopeful that we will be able to execute a final agreement very soon.

CHAIR: I notice in the budget papers you have a first step allocation of \$580 million for Sydney Metro, the seven-kilometre underground track. There is a lot of criticism of that as a priority matter because it would be a place with the least need for one. Is that set in concrete? Can it be reviewed?

Mr JOSEPH TRIPODI: I think that is a question best left for Minister Campbell who has responsibility for that.

The Hon. PENNY SHARPE: Minister, how is the expanded early accident notification process helping people injured in motor accidents?

Mr JOSEPH TRIPODI: Thank you for the question. The introduction of the early accident notification process is one of the key initiatives of the Government's major reform of the Motor Accidents Scheme in 1999. The early accident notification process encourages injured people to access early medical treatment with the goal of maximising recovery from injury. When lodged within 28 days after the motor vehicle accident, the early accident notification process provides the Green Slip insurer with notice of the injury and enables the injured person to proceed with approved treatment and rehabilitation. It also ensures faster payment from the insurer.

On 1 October 2008 the Government increased the maximum amount payable under the early accident notification process from \$500 to \$5,000. The Government also changed the early payment scheme to permit injured people to claim for lost wages. The expanded early accident notification process provides claimants with more minor motor accident injuries the option of a simplified process for the recovery of up to \$5,000 in treatment expenses and lost earnings. It also provides a fast-track process for more efficiently resolving smaller claims. An injured person who has reached the \$5,000 limit under the early accident notification process and requires ongoing medical treatment, time off work, rehabilitation or other assistance may still lodge a personal injury claim. While it is still early days since the change in October 2008, the preliminary results of the impact of the expanded early accident notification process are very encouraging.

The number of accident notification forms being lodged by injured people has increased markedly since the early accident notification process was reformed on 1 October 2008. In the quarter immediately prior to the introduction of the expanded early notification process, 286 accident notification forms were lodged by people injured in motor vehicle accidents. By comparison, between 1 April 2009 and 30 June 2009, 684 accident notification forms were lodged by injured people. This is more than double the number received immediately prior to the reforms.

As at 30 June 2009, injured people were receiving payments of \$3,264 on average to cover the cost of their medical and treatment expenses and lost wages under the expanded early accident notification process. Prior to the commencement of the expanded benefit, the average amount paid by insurers to cover an injured person's medical and treatment costs under the early accident notification process was \$464. This means that injured people are now receiving payments that are on average more than seven times higher than before the early accident notification process was expanded on 1 October 2008.

As well as facilitating earlier access to treatment and rehabilitation, injured people are also now receiving payments for past loss of earnings under the expanded early accident notification process. As at 30 June 2009, the average past economic loss payment made to injured people under the expanded early notification process was \$1,878. These preliminary results suggest the expanded early notification process is achieving the goal of providing a simplified, fast-track process for resolving smaller motor accident claims. Injured people are also receiving increased payments for medical treatment and rehabilitation expenses as well as access to payments for past lost earnings. The Government will continue to monitor the expanded early accident notification process to ensure that it meets the object of encouraging injured people to access early and appropriate treatment and rehabilitation so that they achieve optimum recovery from motor accident injuries.

The Hon. KAYEE GRIFFIN: Minister, what is the Lifetime Care and Support Authority doing to ensure that scheme participants have access to independent advice and advocacy?

Mr JOSEPH TRIPODI: I thank the member for the question. The Lifetime Care and Support Authority recognises the need for scheme participants to have access to independent advocacy services. An advocate might be of assistance to scheme participants who feel that they cannot talk to the authority on their own or need support along the way. This may include any of the following situations: a participant wishes to change their Lifetime Care and Support coordinator; a participant wishes to change service providers, such as their case manager or attendant care worker; a participant wishes to change their living arrangements, for example, to move out of home and live independently; a participant wishes to lodge a dispute as they do not agree with the decision the authority has made; or a participant wishes to make a complaint about the Lifetime Care and Support Authority or a service provider.

An advocate is independent of all other people who may be working with the injured person, such as a family member, case manager or other service provider. An advocate is not involved in the participant's ongoing treatment, rehabilitation and care, or in requesting services. It is the role of the advocate to speak out on the injured person's behalf to protect and promote their rights and interests. To ensure that scheme participants are able to participate actively in decisions about their wellbeing and have the right to be represented and make complaints, earlier this year the Lifetime Care and Support Authority prepared a paper on the provision of advocacy services under the Lifetime Care and Support Scheme. Submissions on the paper were received from key stakeholders, including the Physical Disability Council of New South Wales, the Royal Rehabilitation Centre of Sydney, and the New South Wales Bar Association.

The authority also consulted with advocacy groups including Spinal Cord Injuries Australia, Brain Injury Australia and People With Disability Australia as well as the Lifetime Care and Support Authority Advisory Council on the issue of advocacy services. As a result of this consultation the Lifetime Care and Support Authority has taken steps to increase promotion and awareness of the advocacy services available to seriously injured people. Information on advocacy services is now available at the Lifetime Care and Support Authority's website. The website outlines the types of situations where an individual may feel that they need an advocate, what an advocate does and how to access an advocacy service. The website also includes a list of agencies that provide advocacy services and their contact details, as well as a facts sheet on advocacy for participants of the Lifetime Care and Support Scheme. As well, an article about advocacy services has been published in the Lifetime Care and Support Authority's e-news newsletter. The Lifetime Care and Support Authority can assist seriously injured people to find an advocate. Alternatively, participants may wish to go directly to the Lifetime Care and Support Authority website.

The Hon. HELEN WESTWOOD: Minister, how does the Motor Accidents Authority assist people injured in motor vehicle accidents?

Mr JOSEPH TRIPODI: Once again, I thank the member for the question. The Motor Accidents Authority's Claims Advisory Service provides information and assistance to people injured in motor vehicle accidents about making and managing their injury claim. In the first instance the service assists injured people to lodge their motor accident claims by identifying the compulsory third party insurer responsible for handling the claim. The Claims Advisory Service also makes sure that injured people are aware of the early accident notification process. The service also provides information about the Motor Accidents Scheme to service providers such as medical practitioners, health professionals and legal representatives.

During 2008-09, 10,983 claimants and 13,975 service providers contacted the Claims Advisory Service for information and advice. The Claims Advisory Service also provides an outreach service to unrepresented or direct claimants who have made an application to the Motor Accidents Authority's medical or claims dispute resolution services. The outreach service provides procedural advice and general support and information to direct claimants. The outreach service helps direct claimants to understand the medical and claims assessment processes and procedures and assists them to provide all relevant information to the dispute resolution service. The outreach officer provides a contact point for any questions or concerns that the claimant may have during the processing of their application. The outreach officer also assists direct claimants to complete applications for medical or claims assessment and provides reminders of medical appointments as well as explains the options available once an application has been finalised.

In the 2008-09 financial year, the Claims Advisory Service provided outreach contact on 684 occasions. Legally represented claimants may also contact the Claims Advisory Service about the progress of their claims with the Motor Accidents Authority's dispute resolution services. Advisory service staff are able to provide general information about the status of their matter and dispute resolution service procedures and processes. If asked for legal advice, a Claims Advisory Service officer will refer claimants to their legal representatives or, for direct claimants, advise that the NSW Law Society's community assistance service can provide names of personal injury accredited lawyers in their local area.

The Hon. PENNY SHARPE: Minister, how is the State Property Authority assisting the Government in delivering on the energy, water and greenhouse gas emissions targets under its sustainability policy?

Mr JOSEPH TRIPODI: I thank the member very much for that question. As a key delivery agency identified in the Government's sustainability policy the Authority is taking a lead role in implementing sustainability initiatives throughout its own and leased office portfolio to meet the Government's sustainability targets, which require all Government owned or tenanted buildings to obtain 4.5 star environmental performance ratings for both energy and water efficiency, a 15 per cent reduction in water consumption across all budget-dependent agencies, and a return to 2000 level greenhouse gas emissions by 2019-20. Through a range of sustainability initiatives the Authority is improving the energy efficiency of the Government's leased and owned office properties. These include the upgrade of outdated and inefficient air-conditioning systems and the installation of more efficient light fittings. At Bligh House in the Sydney CBD a lighting upgrade has reduced electricity consumption by 324,000 kilowatt hours per year and reduced greenhouse gas emissions by over 300 tonnes per annum. The replacement of a 40-year-old air-conditioning system at the Grafton government office building with a new energy efficient system will deliver both lower running costs and improved amenity to building tenants.

In line with the policy's office building strategy, the Authority has rated its own office buildings using the National Australian Built Environmental Rating Scheme [NABERS] water and energy system to measure performance. With a current portfolio-weighted average NABERS energy and water rating of 3.5, the Authority is well on track to lift this rating to the policy target of 4.5. Upgrades to the Governor Macquarie Tower tenancy and other associated measures have resulted in an increase in the NABERS rating of the leased premises from 2.5 stars to 4 stars. As the owner and manager of a number of new government office buildings across Sydney and regional New South Wales, the Authority is also leading the way on sustainability.

Under the policies requirement for new government office buildings to achieve 4.5 star water and energy ratings, the new government office buildings at Queanbeyan and Penrith delivered by the Authority in the second half of 2008 incorporate contemporary sustainable design features aimed at achieving a minimum 4.5 star NABERS rating. The Parramatta Justice Precinct building has also been designed to achieve a 5 star NABERS rating. The Authority's success in improving the environmental performance of its office portfolio is

reflected in the Grafton Government Office Buildings Award as the most water-efficient office building under NABERS in 2008.

The Authority also plays a role in educating tenants within its buildings about how they can be more environmentally sustainable at work. It has, therefore, conducted a number of sustainability awareness forums within its own property portfolio to assist tenants in developing strategies to meet the Government's sustainability targets. In accordance with its waste recycling and purchasing strategy, the Authority has identified the main waste streams generated by the authority from its corporate operations and from the operational management of owned office buildings. Recycling programs are being implemented and environmental performance criteria have been incorporated into service and supply contracts.

The Authority is also developing a green lease schedule that sets out shared building-owner-tenant environmental obligations such as restrictions on the use of non-energy efficient lighting or equipment, or a requirement to participate in recycling programs. These green lease schedules recognise that both tenants and the law have an important role to play in sustainable building management, contributing to the common objective of caring for our environment. The Authority is committed to embodying this form of engagement in its property leases, and the roll out of the green lease schedules from late 2009 will form an integral part of its environmental strategy for 2009-10 and beyond.

CHAIR: Thank you, Minister, for your attendance and for your answers to questions. I also thank your staff for their attendance.

(The witnesses withdrew)

The Committee proceeded to deliberate.
