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GENERAL PURPOSE STANDING COMMITTEE No. 3

Wednesday 21 September 2005

Examination of proposed expenditure for the portfolio areas

POLICE, AND UTILITIES

The Committee met at 8.00 p.m.

MEMBERS

The Hon. A. R. Fazio (Chair)

The Hon. G. J. Donnelly
The Hon. M. J. Gallacher
Ms L. Rhiannon

The Hon. J. C. Burnswoods
The Hon. D. J. Gay
The Hon. J. Jenkins

PRESENT

The Hon. P. C. Scully, *Minister for Police, and Minister for Utilities*

Department of Energy, Utilities and Sustainability
Mr D. Nemtzw, *Director-General*

Sydney Water
Mr D. Evans, *Chief Executive Officer*

NSW Police
Mr K. Moroney, *Commissioner*

NSW Crime Commission
Mr P. Bradley, *Commissioner*

Police Integrity Commission
Mr T. Griffin, *Commissioner*

Ministry for Police
Mr L. Tree, *Director-General*

CHAIR: I welcome you to this public hearing of General Purpose Standing Committee No. 3. I thank the Hon. Carl Scully and his departmental officers for attending today. At this meeting the Committee will examine proposed expenditure for the portfolio areas of Police and Utilities. The Committee has agreed that the first hour of questioning will be on Utilities and the second hour of questioning will be for Police.

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

There is no provision for members to refer directly to their own staff while at the table. Members and their staff are advised any messages should be delivered to the attendant on duty or the Committee clerks. The Committee has agreed to the following format for the hearing: Utilities, one hour; Police one hour. We will be allocating time on a rotational basis to Committee members. Is that satisfactory to you, Minister?

Mr CARL SCULLY: Yes.

CHAIR: As the lower House is sitting, could you advise whether you will need to attend any divisions?

Mr CARL SCULLY: I will give myself leave.

CHAIR: I advise people in the public gallery that we had some disruptions from people at a hearing last night. I remind people in the public gallery that they are not permitted to make comments or interjections. They are not permitted to disrupt the proceedings of the Committee.

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

Mr CARL SCULLY: No.

The Hon. DUNCAN GAY: Minister, how much longer will it be until the Government's white paper on energy is released? Given that it was supposed to be released mid-year, are you aware that the delay in releasing this document is resulting in new electricity generation projects being put on hold until its release?

Mr CARL SCULLY: I am not aware of any that have been put on hold as a result. You will be aware of the previous Premier's commitment on gas-fired generation, which has been progressed. The white paper is going through the processes of government. Discussions are going on between agencies and Ministers. It is not something I think appropriate to be rushed for the sake of meeting a chronological deadline.

The Hon. DUNCAN GAY: So when will it be released?

Mr CARL SCULLY: Every day is a day closer to its release.

The Hon. DUNCAN GAY: How many days?

Mr CARL SCULLY: It is being worked on. It will be released when it is right.

The Hon. DUNCAN GAY: Will there be a coal-fired power station in the options?

Mr CARL SCULLY: Would you like to see a draft copy?

The Hon. DUNCAN GAY: Yes.

Mr CARL SCULLY: I am sure you would!

The Hon. DUNCAN GAY: Thank you for the offer, Minister. I will take you up on that.

Mr CARL SCULLY: I said, "Would you like it?"

The Hon. DUNCAN GAY: I said, "Yes, thank you."

Mr CARL SCULLY: Good. You are not getting one!

The Hon. DUNCAN GAY: No wonder you are not Premier. You offer and then you take it away.

Mr CARL SCULLY: It is being worked on. I know you are interested in it. The obvious consideration that has to be made, and it is critical in relation to the content of the white paper, is when would you expand base load? The previous Premier dealt at with peak load our party conference, and we are progressing those. Our base load requirements over the next 5, 10 or 15 years is an important consideration. Modelling is being done and there are obviously different views. No doubt, if you have been talking to people who are interested in the generation of power, they will give you a variety of views as to what our base load requirements are. As Minister for Utilities, I am absorbing that and taking that into account. It is a very important question how to address our base load requirements over the next several years. It is not something we jump into and produce a white paper on simply because of a chronological commitment.

The Hon. DUNCAN GAY: Are any of the water or electricity New South Wales-owned public trading enterprises being forced to borrow money to meet your Government's demands for higher dividends and income tax equivalents?

Mr CARL SCULLY: I am not aware of that, no.

The Hon. DUNCAN GAY: So you are telling us that Sydney Water does not have to borrow money to pay its government dividends?

Mr CARL SCULLY: No, I am not aware of that.

Mr EVANS: Sydney Water pays dividends out of its post-tax profit, and the borrowings are not necessary to fund dividends. There is a very large capital program, in excess of \$500 million. In any expanding enterprise, some of that is funded through debt. But the borrowings are not to fund dividends as such.

The Hon. DUNCAN GAY: Do any of the energy distributors have to borrow?

Mr CARL SCULLY: I am not aware of that. I do not know where you have got that idea from.

The Hon. DUNCAN GAY: So you are telling me that none of them is borrowing money to pay the government dividends?

Mr CARL SCULLY: I am not aware of it, no.

The Hon. DUNCAN GAY: I refer to the desalination plant. Under the plans for this plant the desalinated water is to be pumped directly into Sydney's drinking water supplies. Given that Sydney Water pumps barely treated sewage into the ocean off Sydney and both wastewater and desalinated water undergoes the same treatment processes to be treated to drinkable quality—that is, reverse osmosis—is this not a plan to pump the water straight into our drinking supplies the same as pumping recycled effluent into our drinking supplies?

Mr CARL SCULLY: What a bizarre question! That is just a load of rubbish. How can you compare the desalination plant to a recycled sewage plant? That is fantasyland stuff. You did not write that question—you are smarter than that.

The Hon. DUNCAN GAY: The sewerage plants off Sydney put that sewage into the water.

Mr CARL SCULLY: You said it was barely treated.

The Hon. DUNCAN GAY: You would be treating this water that contains Sydney sewage, is that right or not?

Mr CARL SCULLY: The way the desalination plant works—

The Hon. DUNCAN GAY: Minister, is that correct or not?

Mr CARL SCULLY: I will tell you. A desalination plant works by pulling seawater out, taking the salt out of the seawater and putting that salt, with a bit of liquid, back into the ocean and putting H₂O into our drinking supply. I am lost as to how on earth you could say that that is identical to a sewage treatment plant. And your statement suggested it was barely treated. That is not right. Long ago we stopped putting untreated effluent off the heads—several years ago.

The Hon. DUNCAN GAY: You treat one of them to a high degree. The other one that goes further offshore is not treated to that extent.

Mr CARL SCULLY: I am happy to take questions. I just think it is a little rich if they are double- and triple-loaded questions. You do this each year, Mr Gay. I will take each question in turn. If you want to ask me about desalination, fine.

The Hon. DUNCAN GAY: Minister, if you cannot answer them, just say that you are incapable of answering them.

Mr CARL SCULLY: I am not going to carry on with this rubbish.

CHAIR: Order! The Deputy Leader of the Opposition will stop insulting the Minister. He will ask the Minister questions one at a time so we can proceed in an orderly manner.

The Hon. DUNCAN GAY: Is the real reason for the increase in Sydney Water Corporation's price of water from the draft pricing determination of the Independent Pricing and Regulatory Tribunal [IPART] of \$1.13 a kilolitre to \$1.20 a kilolitre for the final price determination due primarily to the anticipated high cost of the desalinated water at more than \$1.53 a kilolitre?

Mr CARL SCULLY: No. The price path for the next four years includes a figure of \$94 million to enable the acquisition of the site we need, the 45 hectares that we referred to yesterday, and for a certain tender process and planning approval. People will be paying additional amounts. We have never suggested otherwise. Once the desalination plant is up and running there will have to be an increase in the price of water. It covers \$94 million out of about \$2 billion?

Mr EVANS: Depending on the size and scale, yes.

Mr CARL SCULLY: The price path?

Mr EVANS: The price path covers \$94 million.

The Hon. DUNCAN GAY: What is the Government's answer to the Australian Institute's estimate that water prices, with an operating 500 million litres a day desalination plant, would have to rise to \$3 a kilolitre?

Mr EVANS: The situation is that depending on the scale of the desalination plant, water prices total bills would not have to rise anywhere near that amount. It has to be remembered that water bills are made up of a fixed component, a fixed access charge, and a usage component. The calculations of the type you have referred to, I suspect, only assume it is all lumped in to the usage component and, in addition, they ignore—I suspect, and I will take advice on that—that the desalination plant if constructed to the ultimate scale would avoid other expenditures that might

otherwise be necessary. There is a clawback effect. The ultimate net effect on costs depends on the combination of options you end up with.

Mr CARL SCULLY: The main thing here is that if we were to build a 500 megalitre desalination plant, it could cost up to about \$125 extra per year.

The Hon. DUNCAN GAY: Minister or Mr Evans, you said it would not get near \$3 a kilolitre. What do you expect it would get to?

Mr EVANS: That is why I made the point that the water charge is made up of fixed and variable components. Therefore, when you look at the present water price determined by IPART of around \$1.20, you have to remember there is a fixed component as well and any cost increase that is incurred as a result of the desalination plant would be spread between fixed and variable components. So, it is a great oversimplification to just add it all onto the variable component.

Mr CARL SCULLY: We also have to go through a tender process that involves constructing potentially a \$2 billion piece of public infrastructure. We would then have its operating and maintenance costs over a sustained period of years. That will be reflected in the price. We can make estimates, but from my experience they are only that. The best thing is to wait for the whole process to be finished and we will know what the deal is. We will then go to IPART and endeavour to pass through the price increase to pay for the infrastructure and its operation.

The Hon. DUNCAN GAY: But that is just a rubber stamp. It is not independent. You provide the figures and it gives the increase.

Mr CARL SCULLY: The calculations are that we think at the most it will be in the order of about \$120 per year if it was the largest plant. That is at most, and it may well be somewhat less than that.

The Hon. DUNCAN GAY: Will the proposed desalination plant continue to operate during times of high rainfall and high dam levels?

Mr CARL SCULLY: When the private sector builds the plant it will need to service its investment. The money would be borrowed so there will have to be a component to allow for that. I anticipate that the plant would have to be run, even at a lower level, to produce a certain number of gegalitres a day just to turn the plant over. If we have flooding rains and the dams are full, restrictions are off and we have plenty of water, the plant would not be used to the same extent. But please regard the desal plant as insurance. You insure your house. You hope your house does not burn. We hope the drought breaks. If the drought does not break we will have the plant to use. If the drought breaks, as we expect, the plant will be there for the next drought. They are things that we will have to negotiate with the successful tenderer. What do they need to service their capital? What amount of water would we need to procure so that they can keep the plant operating at an efficient level? We would not be taking 500 megalitres a day if the dams are full. It is cheaper just to pull that off Warragamba.

The Hon. DUNCAN GAY: You would shut it down when the dams are full?

Mr CARL SCULLY: No.

The Hon. DUNCAN GAY: So the answer is yes then?

Mr CARL SCULLY: I would anticipate that it would have to be used to a small extent every day to enable it to be turned over but if the dams are full I would anticipate that we would use the dam water, not the desal plant. The desal plant is not an alternative to rainfall, if there is rainfall. If there is no rainfall it is the only alternative we have. It is an insurance policy. Unfortunately, people will have to pay a premium to provide the insurance that will make Sydney drought resistant.

Mr EVANS: It is also worth making the point that with nearly all infrastructure expenditure, particularly in the water sector, you have a time where any method of supply augmentation will be underutilised if it rains. If you build an additional dam or pursue additional recycling or desalination or whatever it is, if you get a return to the sort of climate patterns we had in the sixties and seventies

and there is more rain, you will not need as much of whatever capacity it is you build. It is unfortunately inevitable that if infrastructure is built in a lumpy way to deal with uncertain climatic conditions and climatic conditions turn to your favour there will be underutilisation. The present Warragamba Dam is underutilised when it is full.

The Hon. DUNCAN GAY: So the answer is yes, if you have a desal plant it will be operating all the time?

Mr CARL SCULLY: I have said that these are things we will have to negotiate with the tenderer.

The Hon. DUNCAN GAY: I thought you said yes.

Mr CARL SCULLY: You asked whether we will be turning it off. I have said no. It is highly likely that we would have to have it—

The Hon. DUNCAN GAY: So the answer is yes.

Mr CARL SCULLY: Operating it at lower levels—

The Hon. DUNCAN GAY: If that is the case, have you produced estimates on the impact this will have upon taxpayers and rates for the water customers, and what are these impacts?

Mr CARL SCULLY: I said that the tops would be in the order of \$120 a year. It would be less than that if we were not operating it. But we obviously have to service the capital cost. This is the problem. To ensure Sydney's water supply and to make it drought resistant we need to spend \$2 billion. Once we have committed to that and it rains the people of Sydney will have to pay the insurance premium for having that alternative supply.

The Hon. DUNCAN GAY: With respect, Minister, that is the problem with a desalination plant, not the problem with Sydney's water.

Mr CARL SCULLY: It is also a problem if you do nothing.

The Hon. DUNCAN GAY: Why has the Government continued to reject the introduction of competition to Sydney's water and sewerage services despite recommendations of the National Competition Council and now IPART?

Mr CARL SCULLY: We have not. It was the Government that gave the reference to IPART to provide advice. Its advice to government is that there should be a third-party access regime which IPART should regulate. The competition tribunal is currently considering an application by Services Sydney. I understand the proceedings have been concluded but the tribunal is deliberating.

The Hon. DUNCAN GAY: Is there an evacuation plan in place for Sydney if dam levels fall below a certain level? If so, what is that level?

Mr CARL SCULLY: We are never going to get to that level. That is just absurd. This is the yearly panic that you endeavour to put through in budget estimates—that the end is nigh, we will all be ruined and there will never be a drop of water in Sydney. That is not going to happen.

The Hon. DUNCAN GAY: So you are telling me that no plan has been developed in the case that dam levels fall below a certain level?

Mr CARL SCULLY: I have not even questioned that. That is absurd. I am not aware of it.

The Hon. DUNCAN GAY: They are two different answers. You are saying that it is absurd but you are not aware of it. Perhaps you should ask your advisers.

Mr CARL SCULLY: That is a good question: When did you stop beating your wife? It is an absurd—

The Hon. DUNCAN GAY: Are you asking me questions?

Mr CARL SCULLY: It is an absurd question.

CHAIR: The Minister asked a rhetorical question.

Mr CARL SCULLY: It is predicated upon the assumption that there will be no more water and in a certain period dam levels will be zero and we will all be ruined. You are not going to get away with this. You are not going to go down to the sixth floor and tell the *Daily Telegraph* to hold the front page because we are going to run out of water in three months. Sorry! Based on the water that falls from the sky in the worst drought in the last 60 years we have enough water for years. The desalination plant—

The Hon. DUNCAN GAY: Has Sydney Water done any work on such a plan?

Mr EVANS: I am unaware of such a plan. The whole principle of the available technologies with recycling, demand management and desalination is that you have the capacity within the lead time of the available storages to bring the water to the people rather than take the people away from the water. It is far more simple and effective to increase supply than it is to take the people away, and I am aware of no such plan.

Mr CARL SCULLY: Can I just get this clear? There is now an Opposition policy that we should evacuate Sydney because you believe that we will be running out of water? I need to know that because I am going to have some fun with that. That is what your question means. Opposition policy is to prepare for the last drop of water when Sydney will have to be evacuated beyond the mountains. You have to read these questions, Mr Gay, before you ask them.

The Hon. DUNCAN GAY: With great respect, Minister, the question was to you, asking you whether there was such a plan. We have dropped to 30 per cent. You are putting your head in the sand, as was the case in New Orleans with respect to Hurricane Katrina. You are the President Bush of New South Wales.

Mr CARL SCULLY: Hurricane Katrina is going to hit Sydney and we are going to run out of water and we are all going to move somewhere! This is just bizarre stuff. Madam Chair, this is lulu land.

CHAIR: Welcome to an upper House inquiry!

Mr CARL SCULLY: This is bizarre. Please give me some serious questions.

The Hon. DUNCAN GAY: Have you finished your comedy act? How about answering some questions?

Mr CARL SCULLY: This is bizarre. I have never seen anything so ridiculous.

The Hon. DUNCAN GAY: We have plenty of time. We can bring you back any time. If you want to continue with your comedy act—

Mr CARL SCULLY: Ask me serious questions.

The CHAIRMAN: Order! I suggest that the Deputy Leader of the Opposition should get back to asking questions of the Minister.

The Hon. DUNCAN GAY: I have been trying to. There has been a comedy act with Comedy Carl. Minister, why has your Government been quick to rule out less expensive water supplies such as the large groundwater supplies that are estimated to be available?

Mr CARL SCULLY: We have not ruled out anything. We have a multifaceted approach to securing Sydney's water supply. You have talked to me about desalination. You have heard about

accessing deep water. You are aware of raising Tallowa Dam and sending the water across to Warragamba. You would be aware of recycling, demand management and restrictions. We have a multifaceted approach. We have not ruled out anything. One possibility is looking at aquifers, and the catchment authority is examining that. That is probably a question best directed to Minister Debus, who is responsible for that. But we are examining groundwater proposals. There is potential there.

The Hon. DUNCAN GAY: Has the Government investigated the cost effectiveness of cloud seeding in the Sydney catchment areas given that cloud seeding trials in the Snowy Mountains have produced up to an estimated 25 per cent increase in precipitation?

Mr CARL SCULLY: I am not aware of it. I will take the question on notice.

The Hon. DUNCAN GAY: Has Sydney Water made adjustments for it increases in future maintenance expenditure after desalinated water begins to be pumped into the pipes given that desalinated water is highly corrosive and therefore will lead to more leaking pipes?

Mr CARL SCULLY: I will get David Evans to deal with that.

Mr EVANS: The treatment process for desalination is just that: it is to take salt out. Therefore, you have a capacity to put water into your network that meets your health, asset management and aesthetic requirements. In the detailed planning we will obviously take account of that in terms of asset management but we would not anticipate that that would have a significant impact. Our experience with all sorts of water supplies around the world is that the performance of assets is impacted by ground conditions, whether pipes are laid in aggressive salt water, et cetera. But the nature of the water being put through the pipes is a second order consideration compared with the external implications for pipe age such as ground conditions, acid soils, earthquakes, ageing processes, et cetera.

The Hon. DUNCAN GAY: Are you aware of the Australian Army's results from Aceh, where it was found that the desalinated water was very corrosive to the pipes?

Mr EVANS: I am not familiar with the Aceh experience, but I think it is important to remember that there is a significant difference between what you might call field desalination plants that are designed to achieve drinkable water in the field or in battle conditions compared with the sort of sophisticated processes that can be put in place with the dual membranes and the like in a more permanent situation.

CHAIR: Minister, what has Sydney Water done to try to educate people about what estimated water usage should be for families?

Mr CARL SCULLY: I will get the CEO to deal with that.

Mr EVANS: That is a subset of a very important general question of how to raise community awareness about water usage patterns and the capacity to save water in a way that enables them to preserve their lifestyle but also saves the resource and saves them money. There are a number of dimensions to that. It is not just a drought thing; it is an ongoing community education exercise where you have to cover roughly the following things: first, some knowledge of where water gets used in the house. It is recognised by most people, for example, that around 25 per cent is external use. But what is often not recognised is another 25 per cent is showers. So we do a number of things to inform people about where the easy gains lie in water conservation. Water-efficient shower roses and the like pay a big dividend. We have subsidy schemes for those types of appliances. More generally, there is a question of how one's use as a family of, say, three or four compares with the average.

Over the years at different times we have included that information on water bills, and periodically will continue to do so. Water bills presently show what people's consumption is compared with the previous quarter and the corresponding quarter of the previous year. From our market research we have found that there is no one way of conveying this notion of what reasonable consumption is. It is more effectively achieved by a whole array of water education and awareness campaigns. But at the moment we are looking at the idea of—through a billing insert or the bill—conveying the averages for families of different sizes, et cetera, as an additional piece of information.

But one of our learnings has been that conveying information through the bills is only one part of it: you have to be into the Internet sites and everything else because increasingly a number of people pay their bills by direct debits and do not ever open a bill. The general education issue is the big question. I believe Sydney Water has done a terrific job of that by international standards in getting better understanding, which has in part allowed us to accommodate nearly an extra one million people without total water demand rising. But it is a never-ending task and it is one that requires us to take advantage of the present drought where there is greater community awareness to keep that message out there.

CHAIR: We will now go to crossbench questioning with 10 minutes for Mr Jenkins and then 10 minutes for Ms Rhiannon.

The Hon. JON JENKINS: What is our current electrical generating capacity—80 per cent, 90 per cent?

Mr CARL SCULLY: I think that is about right.

The Hon. JON JENKINS: Many of our power stations are past their end of use criteria. They are ICI boiler and Toshiba generator. Their design life is about 25-plus years and most of them are past that time by now. At some point the Government is going to have to invest a lot of money in infrastructure to rebuild the power stations. Is that not so?

Mr CARL SCULLY: As I said when dealing with the question from Mr Gay earlier, we have generators of various vintages and a number have had upgrades. Some are actually going through upgrading at the moment, but the tough question for the Government is: When do we build our next large base load power station? That is a question that confronts the Government. I cannot tell you today because we are looking at a whole lot of modelling, obviously taking into account some of the older generators—some are newer than others. Just because they are old does not mean they cannot be refurbished. Many have been.

The Hon. JON JENKINS: It takes a long time and a lot of money.

Mr CARL SCULLY: Yes. Part of the electricity market is that you have to schedule that sort of upgrade and make sure it is taken out of the frame so that the whole market works.

The Hon. JON JENKINS: What sort of costs are you looking at in, say, the next five to 10 years, in rebuilding these old generators.

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

The Hon. JON JENKINS: The desalination plant will also require electrical power. If we have problems with our electrical power supply we are going to potentially lose our water supply as well, or at least part of our water supply.

Mr CARL SCULLY: A 500 megalitre per day plant would draw about 100 megawatts of power and we average 9,000 megawatts and peak at about 12,000. So, it would be 100 megawatts out of that.

The Hon. JON JENKINS: If you lost one of your major power stations you would still have enough reserves?

Mr CARL SCULLY: If we were in drought and the supply from the desalination plant was critical, obviously we would make sure that power continued to be supplied to it. I do not think that would be a problem. Obviously, if water was not a problem and we had a power problem, we would disconnect and not pull from the grid. But I do not think that 100 megawatts is going to make a huge amount of difference so far as reliability of supply is concerned.

The Hon. JON JENKINS: Where are the intake and discharge points for desalination plant?

Mr CARL SCULLY: I do not know if we have a map here. It is probably about 400 metres off the coast of Kurnell.

The Hon. JON JENKINS: Both?

Mr CARL SCULLY: Both. One is about 400 metres and they are about a kilometre apart.

Mr EVANS: On the ocean side, yes.

Mr CARL SCULLY: It is all on the ocean side.

The Hon. JON JENKINS: Often we hear people talking about alternative power sources, particularly for domestic supply. Obviously there is no theoretical way of supplying alternative electricity supplies to industrial supply. What are the sorts of issues that you look at? Presumably things like solar power because of its technical inefficiency—

Mr CARL SCULLY: Is this general?

The Hon. JON JENKINS: I will get to the point. Are you looking at some sort of rebate or incentive scheme for people to use alternative energy?

Mr CARL SCULLY: This is not about power in the desalination plan? It is a separate issue?

The Hon. JON JENKINS: No, this is separate.

Mr CARL SCULLY: We have the Greenhouse Gas Abatement Scheme, which involves trading energy certificates. It started off being the only one in the world. I think there are two or three in the world now. I do not think there are many others in Australia. I think it has been quite successful. It involves people building either forests or co-generating plants, all gas-fired plants or solar facilities, and basically getting carbon credits and trading them. That is the sort of thing that I think has worked very well. I think it has directly resulted in more investment in CO₂-reducing energy than would otherwise have been the case.

The Hon. JON JENKINS: What about bringing that down to domestic level?

Mr CARL SCULLY: Solar-powered panels at home are eligible, so that is happening.

The Hon. JON JENKINS: What about the next stage, which is some sort of smart measuring for domestic residences, that is, demand supplying in the house? New technology is trivial, in terms of cost. Switching technology is trivial. Why are we not investing some significant amounts of money in demand supplying in domestic residences?

Mr NEMTZOW: All three of State-owned utility companies are doing trials right now, or experiments for advanced deployment of smart readers. Country Energy has one in Queanbeyan. Energy Australia will have them in thousands of homes. It is the revolution that we all know about in telecommunications and visual technology and, it is implicit, content readers too. There is a lot of opportunity there. All the companies are doing that. On top of that, this State is working with the other States in the national electricity market to seek a common policy. Because it is one common grid we can do it together and develop like policies that will be more efficient. That is what we are looking for. Finally, the Energy Savings Fund, which you know so well from the debate here, will also be able to rally support for smart readers. I think it has a bright future. Anything with digital technology has a bright future and smart readers are on that list.

The Hon. JON JENKINS: Give me a timeframe. When can we expect every house to have some sort of demand reading system?

Mr NEMTZOW: Every house—that is a pretty tough standard.

The Hon. JON JENKINS: Every new house. Let me make it easy for you.

Mr CARL SCULLY: I think is a bit early to give that sort of commitment.

The Hon. JON JENKINS: It exists in several countries in the world now. It is already established and already working in several countries in the world, including the United States of America.

Mr CARL SCULLY: I think to give you a commitment to that may unduly raise your expectations of delivery, and I would not want to depress your sense of outcome a year from now.

The Hon. JON JENKINS: You are piloting them?

Mr NEMTZOW: Yes, we are piloting them. I am not aware of any jurisdiction, including the leaders—and that is California, Spain and Italy—that have them in every house, not even every new house.

The Hon. JON JENKINS: They are an option in the lot of new houses.

Mr NEMTZOW: Yes, progress works in one direction on this.

The Hon. JON JENKINS: Just relating to that, building construction techniques, proper installation. For instance, Queensland now has a proper points system. Every house that is built has to score a certain number of points for its installation techniques, its orientation and all the other things that go with that. When is New South Wales going to do something similar?

Mr CARL SCULLY: I have only been Minister for a very short while, but my recollection is that the BASIX system requires energy outcomes rather than being prescriptive. We do not prescribe. You can go down the prescriptive path—do this, do that, and have five ticks before your house gets built—but my understanding of the basic system is that there has to be a certain percentage reduction of energy consumption, which is the path we have taken. That has allowed developers and builders to be innovative so they can come up with ways in which their particular subdivision can reduce energy consumption. It may be in that way; it may be by other means.

The Hon. JON JENKINS: Why not mandate for installation in every house that is built? Why is that so hard?

Mr CARL SCULLY: That is fair comment. You could take the prescriptive path. We have found that it has worked. I do not think there is any suggestion that we have not received in new homes a 40 per cent reduction in energy consumption by saying, "We expect you to reduce consumption of energy by 40 per cent." I would not rule out being prescriptive; sometimes you need to be, but it is working.

The Hon. JON JENKINS: The recycling of water is a very hot issue at the moment. One of the issues about recycling water is the issue of where you process it. Do you process it in the residence or do you process it in a central plant? What sort of cost is involved in processing plant to process recycled water?

Mr CARL SCULLY: It depends on what you mean. Some people have talked about recycling as the alternative to a desalination plant. If you were to do that it would be actually more expensive because you have to collect all the black and grey water and ship it to the upper regions of the Warragamba Dam and feed it into our water supply. That would be very expensive. It is less expensive, obviously, when you have a greenfields site, such as Rouse Hill, and you can have a dual reticulation system where we supply fresh water, we collect grey and black water, process it and send it back as garden water, flushing water or car-washing water. We have achieved a 35 per cent reduction in consumption in the Rouse Hill of 15,000 homes. It has been quite cost-effective.

The Hon. JON JENKINS: What is the cost?

Mr CARL SCULLY: For households it is down to 30¢ per kilolitre. Consumers have noticed reductions in their bills. Sydney Water has noticed a reduction in water consumption. It has

worked well. The trouble is you have to do it on a greenfields site. It is just impossible to retrofit that sort of system.

The Hon. JON JENKINS: We have a very bad bushfire season coming up and we have some issues about water, particularly surrounding Sydney. It is probably not a problem in the metropolitan area. Have you been discussing what sort of plans are needed for handling a very bad bushfire?

Mr CARL SCULLY: It is probably best if you do that, David.

Mr EVANS: As you said, in respect of metropolitan Sydney the water is in the pipes and flowing through the pipes as normal. I suspect the thrust of your question might relate to rural areas if farm dam levels are low. I am afraid that is not an area I am familiar with.

Mr CARL SCULLY: I am not sure it relates to my responsibility. I am responsible for a fair bit but I am not sure I cover that. Sydney Water is no problem for the Fire Brigades but I'm not sure about the Rural Fire Service.

The Hon. JON JENKINS: You have not been approached by that service?

Mr CARL SCULLY: No, I am not aware of any concern.

Ms LEE RHIANNON: Minister, what demand management and renewable energy strategies does the Government have in place for Western New South Wales?

Mr NEMTZOW: The new Energy Savings Fund is statewide. This is the first such program in all of Australia. It is one of the leaders in the world. It was approved by Parliament recently and last week the Minister announced the first round of tenders to get the best ideas. That will be statewide and so will cover Western New South Wales and the Sydney metro. It will support, by \$40 million year, demand management ideas and generation decentralised alternative power solutions, smart readers. All the best ideas that come from the community will be supported statewide.

Ms LEE RHIANNON: That sounds good. I understand that the cost of the proposed Wollar to Wellington line is currently \$67.7 million. What would be the comparative cost of, say, 10 two megawatt local gas-fired generators being run only at times of peak demand?

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

Ms LEE RHIANNON: Are you considering such options when you are talking about the new era that we are entering with regard to demand management?

Mr CARL SCULLY: It is a transmission line between Wellington and Ulan Power Station?

Ms LEE RHIANNON: Yes.

Mr CARL SCULLY: I met the chief executive officer the other day and he strongly put the case that that was needed to guarantee supply into the future for the people of the Central West. He certainly did not put the view that there were alternatives.

Ms LEE RHIANNON: Suggest some costs on that. What would be the annualised value of deferring the Wollar to Wellington line for three years, including the annualised operating costs, the total annual net costs of servicing the capital expenditure, including financing charges and capital depreciation? We are only talking about three years here.

Mr CARL SCULLY: I do not know that off the top of my head. I would have to take that question on notice.

Ms LEE RHIANNON: Moving on to natural gas supply. I imagine you know that is available to Wellington and Dubbo and is about to be expanded in Tamworth. What analysis has been

done on the potential to supply peak load demand in Western New South Wales through small gas generators in this region?

Mr NEMTZOW: I am not aware of any specific examination of that. The department and the Government has looked very closely at the issue of natural gas generation in general and the story there is quite bright. The Papua-New Guinea pipeline is much more likely than it was even half a year ago and it will bring new supplies to New South Wales, if and when completed. I am not aware of any particular examination of that issue, but the transmission system is secure enough that if the natural gas generation goes in anywhere in—and there is a proposal to build a plant at Uranquinty, outside of Wagga Wagga. There is one in the Hunter Valley and one south of Sydney.

Mr CARL SCULLY: Do not for one moment think that we are not committed to gas-fired heating plants.

Ms LEE RHIANNON: What locations are you examining?

Mr CARL SCULLY: Tomago, Munmorah and Uranquinty, but other private sector people from time to time put proposals on the table.

Ms LEE RHIANNON: Peak demand forecasts made in 2003 were used to justify the development of the Wollar to Wellington transmission line. Transgrid's annual report 2005 shows those forecasts to be overestimated by nearly 100 megawatts. Will the Government now give due consideration to the necessity of investing \$67.7 million of taxpayers money in this project considering this mistake?

Mr CARL SCULLY: The question is: Are we overinvesting in transmission infrastructure? In order to guarantee supply, sometimes you need to put enough redundancy in place to make sure that if there is failure on any particular lines you have alternative lines to deliver the electricity. You do not have a single line in the central west and then hope it works. This is the problem. So there are always investment decisions, and people have to pay for it.

Ms LEE RHIANNON: That is the opposite of demand side management. You continue to talk about demand side management, and you are learning the language, but when you put that in place it is the opposite.

Mr NEMTZOW: Before any transmission line is approved it has to go through a rigorous process to make sure it is the best solution. Honest people can disagree about what is the most secure, most reliable, least expensive and most environmentally responsible solution. They are the goals we all share. You should be comfortable that any transmission has to go through that. The notable case, as you may be aware, occurred a few years ago when Energy Australia and TransGrid wanted to build a new line in the central business district to make sure that supply was secure.

There was a challenge against it; people said that it did not look at demand side management. The solution was to do both: invest \$10 million of new money in demand management, as well as put in a transmission line to get the reliability the economy demands. So before any final decision is made, we look at the same rigorous process. If you have any information that Government is not aware of, of course we would like to see that so we can factor it into those decisions. It is not an either-or situation; it is both demand and supply. It is a mix of things, to get that reliability, security and affordability.

Ms LEE RHIANNON: Could you tell us the time line of when that decision will be made?

Mr NEMTZOW: I will have to take that on notice.

Ms LEE RHIANNON: The TransGrid revised capital investment program for 2004-05 states that a connection application for a two-unit, 500 megawatt power station at Ulan has recently been addressed. The unit rating could go up to 700 megawatts. How has this application been addressed?

Mr CARL SCULLY: The transmission line is independent of any question about baseload power, if that is what you are talking about. I know some people have suggested that it is some sort of conspiracy that that transmission line has been put in to enable a power station to be built on the land. There has been no decision, nor any serious consideration about a power station being built there.

Ms LEE RHIANNON: In terms of the increase from 500 megawatts to 700 megawatts, could you comment on how you have reached that point?

Mr CARL SCULLY: I do not follow your question.

Ms LEE RHIANNON: I understand that the application for a two-unit, 500 megawatt power station at Ulan was the original proposal, but that it has now been suggested that it could be 700 megawatts. How did we get that shift?

Mr CARL SCULLY: There are a variety of things that we need to go through. I have dealt with the Deputy Leader of the Opposition's question about the white paper and what our commitments are on baseload and peak load. There are a number of things that we need to deal with as a government, particularly the modelling, which suggests things about what our needs are into the future. But there has been no decision to build a new baseload power station. We are having a look at what our needs are. At some point in the future we will have to build one. But we have not made a decision to build one anywhere. We are having a darned good look at what our requirements are, but—

Ms LEE RHIANNON: I am sure you know that people challenge that there is a need to build a new baseload, coal-fired power station.

Mr CARL SCULLY: Yes.

Ms LEE RHIANNON: There is clearly a need to increase our energy as our population grows, but there is a possibility, with demand side management and using gas, to fill those gaps, which would allow us to do it without coal. Do you acknowledge that?

Mr CARL SCULLY: That is part of the discussion.

Ms LEE RHIANNON: You say that that is still on the table, that we could do it without a coal-fired power plant?

Mr CARL SCULLY: I am having a variety of opinions put to me, from one extreme to the other. Some say we had better get cracking and build a large coal-fired power station now, others say we do not need anything, and yet others say we can deal with it by incremental development of small gas-fired power stations. It is an interesting learning curve I am going through. But do not for a minute think that because Ulan could be the site and could connect to a transmission line, suddenly we are going to build a power station there because TransGrid is putting its line in. That line is going in for transmission supply to enable distributors to get power to the central west.

Ms LEE RHIANNON: I am sure you would understand why the issue is fuelling those concerns.

Mr CARL SCULLY: Please calm them down.

Ms LEE RHIANNON: The proposed route for the Wollar-Wellington 330 kilometre transmission line passes through the proposed site for the Ulan power station. In a statement in the *Mudgee Guardian* of 9 September Joe Zahra from TransGrid was quoted as saying that the proposed power line would not be adequate to transmit energy from a new power station of any appreciable size. What additional infrastructure would be needed if that power station were to be developed?

Mr CARL SCULLY: I think that is unfair of you. You ask me a hypothetical question—

Ms LEE RHIANNON: But you have a great opportunity here, Minister.

Mr CARL SCULLY: What if you won Lotto? What would you do with the money? We could spend all night asking hypothetical questions. Who wants to be a millionaire? We have made no decision to build a coal-fired, baseload power station in addition to what we have. We certainly have not made a decision to build one at any particular location. We certainly have not decided to build one at Ulan. All sorts of switching gear is needed. As you know, if I am right, it comes out at 11,000 kilovolts and it has to be switched up to 330. You need switching gear to ensure that a transmission line at 330 kilovolts is suitable out of a power station. But I am not an engineer; I did not do too well at maths and all that formula stuff. We are not looking at that, because there is no active consideration of it. But if we were, I do not think there is any meat in it.

Ms LEE RHIANNON: You tell us.

Mr CARL SCULLY: I know the conspiratorialists have said there is a line there that could be switched from a power station into the grid. So what? There are all sorts of transmission lines around the State. Just go and look at all the 330 kilovolt lines. People say, "Gee, there is going to be a power station here." Calm them down, please. No.

CHAIR: We have 10 minutes left. I propose that we allocate most of that time to the Opposition, and leave time for one further question each from the Hon. Jon Jenkins and Ms Lee Rhiannon, if they have further questions.

The Hon. DUNCAN GAY: Minister, what is the yearly cost of operating the pumping system to transfer water from Tallowa Dam through Fitzroy Falls to augment Sydney's water supply, and how much water is pumped at that cost?

Mr CARL SCULLY: That is a question that should be asked of Minister Debus; it relates to catchment management authorities.

The Hon. DUNCAN GAY: Minister, can you explain the determining factors in the department's ranking system for backlog water and sewerage projects seeking funding under the Country Towns Water and Sewerage Scheme?

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

The Hon. DUNCAN GAY: Minister, earlier I asked about departments borrowing money to pay the Government levy. What was the total amount spent on Sydney Water's capital expenditure budget for 2004-05, given that the half-yearly report flagged expenditure to fall to \$450 million from an initial budget of \$507 million?

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

The Hon. DUNCAN GAY: May I ask Mr Evans whether he has that information?

Mr EVANS: For the end-year result, I will take that question on notice. But it was in the order of the \$450 million you referred to, and the budget for the year we are now in is \$592 million, which is broadly indicative of the capital budget for each of the next four years. So it ends up on trend, with about a \$2.4 billion capital outlay over the next four years.

The Hon. DUNCAN GAY: What were Sydney Water Corporation's total borrowings for 2004-05 and what are your current total amounts of debt?

Mr EVANS: I will take that question on notice.

The Hon. DUNCAN GAY: How much money has been spent by the Department of Energy, Utilities and Sustainability on preparing and producing the green paper and white paper on energy up to this point?

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

The Hon. DUNCAN GAY: Minister, how much did it cost Country Energy to develop and produce this document on desalination, trying to sell desalination to the people of Sydney at the recent Watts 'n' Drops exhibition at the Powerhouse Museum?

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

The Hon. DUNCAN GAY: Can you explain to the Committee how you could justify Country Energy wasting money on this document when, I am sure, the money could have been better spent on maintenance or capital works expenditure?

Mr CARL SCULLY: I will have to get briefed about the reasons why Country Energy pursued that. But a single sheet of paper would be an infinitesimally small cost. I cannot see that it is a big deal, but I will get briefed on it and take it on notice. I do not think it is going to send the organisation bankrupt.

Mr LUCAS: One of the questions I said I would take on notice I could clear up straightaway, to save us having to return. I think we were asked what were the additional borrowings in 2004-05 concerning the capital program. The answer is \$173 million against a capital program in the order of \$450 million.

The Hon. DUNCAN GAY: Given that the budget for the capital program is about \$592 million and you have borrowings of \$173 million, does that not indicate that you are borrowing money to pay the Government's dividends, rather than pay money to build assets for the consumers and taxpayers of New South Wales?

Mr CARL SCULLY: That question would be ruled out of order in a court. We finance the capital program from borrowings and prices.

Mr EVANS: Conventional practice is for capital programs to be funded from your pricing, your depreciation, your borrowings, and your retained earnings. As with any other corporation, that is a mix of options that Sydney Water exercises.

Mr CARL SCULLY: We sell the products.

The Hon. DUNCAN GAY: Minister, you would agree with me, would you not, that it would be unhealthy if your utilities were borrowing money to pay the dividend to the Government?

Mr CARL SCULLY: You and I have been here a long time, and I do not remember agreeing with you on anything.

The Hon. DUNCAN GAY: You would agree with me on that, surely? Are you saying you disagree?

Mr CARL SCULLY: I am suspicious of the question. We have answered it.

The Hon. DUNCAN GAY: Do you disagree with me?

Mr CARL SCULLY: We told you how we finance the capital program: we borrow, and we sell water.

The Hon. DUNCAN GAY: You are telling me that none of your utilities is borrowing money to pay the Government dividend?

Mr CARL SCULLY: If you have evidence to the contrary, you should share it with every member of this Committee. Obviously someone has put that in your head. I do not know who, and I do not know why you continue to ask it. I do not have any evidence that that has occurred. Sydney Water has said it does not occur. The director-general of the department says the utilities do not do it. Someone has put it in your head and produced questions for you to read out that suggest the contrary. I do not know why you keep asking it. If you have evidence to that effect, please share it with us.

The Hon. JON JENKINS: How long does it take to upgrade a power station?

Mr CARL SCULLY: It is not quick.

The Hon. JON JENKINS: Six months to 12 months?

Mr CARL SCULLY: Yes, and longer. It depends whether you are just refurbishing them or expanding their capacity.

The Hon. JON JENKINS: Returning to the original supply of about 81 per cent, it means you can only take one power station down at any one time, to ensure you leave yourself a safety margin. Can you provide me with a ballpark figure in terms of the megawatts you can pull down? How long will it take you to refurbish all the power stations in New South Wales?

Mr NEMTZOW: That is reasonably easily and straightforwardly dealt with. Most refurbishment can happen in a short period of time. It happens in the spring and autumn when there are not times of peak demand—that is only for the big ones. We are part of a national grid and we have 3,000 megawatts that interconnect to Victoria, that connect to the Snowy system, and we have now over 1,000 megawatts that connect to Queensland. Luckily, the different States do not peak at the same time. It is very rare that there are any coincidental peaks. So you should not think of just the New South Wales one.

The Hon. JON JENKINS: I am, but if it comes to the crunch, Queensland and Victoria will still supply their own service?

Mr NEMTZOW: No. The rules are very clear: they cannot do that. It is a national grid; it has been established by the legislation that has been approved by every State, and the Commonwealth is part of it. That is not possible. They are not OPEC.

The Hon. JON JENKINS: South Australia might disagree.

Mr NEMTZOW: You do not have to worry about that.

The Hon. JON JENKINS: What is the timeframe to refurbish the old generators in New South Wales?

Mr NEMTZOW: As the Minister said earlier, it happens all the time. It is happening right now; it is turning over. Hundreds of megawatts are being refurbished as we speak, and that is just the upgraded part. They become more efficient when you have finished refurbishing them. They are cheaper, and now more efficient.

Mr CARL SCULLY: I guess your concern, if I can join the dots, is that we take a turbine out for a refurbishment and another turbine fails. That occurred about three years ago and there were some outages. That is once in the last 10 years.

Mr NEMTZOW: And it was because of abnormal seasonal weather.

Mr CARL SCULLY: It is a very unusual factor.

The Hon. DUNCAN GAY: They all peaked at the same time.

Mr CARL SCULLY: It did happen, but it is not a usual occurrence.

The Hon. JON JENKINS: What about the type of fault that happened back in the seventies when we had generators going out left, right and centre? It does happen occasionally. I turn to the next question. How long does it take to build a new power station, including the approval process?

Mr CARL SCULLY: Six years, for a baseload power station—not peak loading. But bear in mind that this Government has introduced critical infrastructure and planning legislation that could

take maybe a year or 18 months off that process. But on the traditional approval process, it is six years.

CHAIR: I thank Mr Evans and Mr Nemtzwow for coming to give evidence before us tonight. We will now examine the proposed expenditure of the Police portfolio. As is usually the case, there is to be no filming and no photographs taken of Mr Bradley, the Commissioner of the New South Wales Crime Commission. I propose that questions be asked of the Commissioner of the New South Wales Crime Commission first, after which he can leave and members can proceed to ask questions of the Minister and others present. In addition, in response to a matter raised by the Hon. Michael Gallacher, people should not have mobile phones turned on during the hearing, and that, of course, means they should not attempt to use camera phones.

The Hon. MICHAEL GALLACHER: Mr Bradley, is Reference Valentine still in operation?

Mr BRADLEY: Which one is that?

The Hon. MICHAEL GALLACHER: Reference Valentine relates to an investigation that was commenced on 13 November 2003 to investigate ram raids. Is that still in operation?

Mr BRADLEY: Yes, that is.

The Hon. MICHAEL GALLACHER: Are officers involved in this investigation working with or are actually attached to Strike Force Piccadilly, or are they working separately from Strike Force Piccadilly?

Mr BRADLEY: There have been some ram raid investigations within Strike Force Piccadilly, as I understand it.

The Hon. MICHAEL GALLACHER: Since the commencement of Reference Valentine in November 2003 can you indicate to the Committee the number of arrests for ram raid offences that have been effected thus far?

Mr BRADLEY: Off the top of my head, no, but I can get you that information in due course.

The Hon. MICHAEL GALLACHER: Could you also indicate what was the total number of arrests out of the commission during 2004-05?

Mr BRADLEY: I have the annual report here and I should be able to turn up that information for you fairly quickly.

The Hon. MICHAEL GALLACHER: And also could you advise what the position is for the current financial year?

Mr CARL SCULLY: It is probably best to take the question on notice.

Mr BRADLEY: Yes, I can take that on notice and give you the numbers.

The Hon. MICHAEL GALLACHER: I wished to put a number of questions in relation to the statistical side of it. Can you indicate to the Committee what is the current status of Emblems?

Mr BRADLEY: Is this a statistical question?

The Hon. MICHAEL GALLACHER: No. I am moving away from statistics now.

Mr BRADLEY: As I understand the current status of Emblems, which is not a Crime Commission investigation but a police service investigation, the investigation strike force has been discontinued. Mr Moroney might know a little bit more about that.

The Hon. MICHAEL GALLACHER: Are you aware of what the recommendations of Emblems were?

Mr BRADLEY: I do not think I have read the final report on Emblems, no.

The Hon. MICHAEL GALLACHER: To the best of your knowledge has Emblems been made publicly available?

Mr BRADLEY: I certainly have not read a publication of the findings of Emblems.

The Hon. MICHAEL GALLACHER: To the best of your knowledge, there is nothing stopping Emblems being made publicly available?

Mr BRADLEY: I am not sure of its content. In fact, I do not think I know of its content, and on that basis I would not be able to respond.

The Hon. MICHAEL GALLACHER: In 2003-04 the New South Wales Crime Commission incurred a deficit of \$707,000, I am told, due to increases in staff and associated expenses. Is the Crime Commission still incurring a deficit?

Mr BRADLEY: No.

The Hon. MICHAEL GALLACHER: The principal objective of the Crime Commission is to reduce the incidence of drug trafficking. Could you indicate to the Committee the figures in that regard in the financial year thus far?

Mr BRADLEY: That is another statistical question, which I am happy to take on notice. There are a number of current references aimed at drug trafficking and the results are being tabulated during the current year and I could probably get a year-to-date figure without too much difficulty.

The Hon. MICHAEL GALLACHER: Given that a number of questions I have are more in terms of the results of the Crime Commission, it is probably more appropriate that I put them on notice and have them dealt with them in that way.

Mr BRADLEY: I have just one qualification then. The year-to-date figures are sometimes a bit hard to compile. We tend to compile them for annual report purposes. So it would be easier to give you year ended June 2005 figures than figures for the first eight months of this year.

The Hon. MICHAEL GALLACHER: I do not suppose you are in a position therefore to indicate to the Committee the success in terms of your confiscation of assets thus far this year?

Mr BRADLEY: There are some statistics about that. I do not actually have them with me, but we do report internally on a monthly basis in relation to that. So they are more easily compilable. We aim to recover nearly \$20 million a year—that is not restrained, that is actually recovered. That is getting up towards about \$100,000 a day. We know when we are behind and when we are ahead based on the reporting. I think we are doing okay this year in terms of maintaining that level of recovery.

The Hon. MICHAEL GALLACHER: Do you monitor what is happening with the Recovered Assets Bill within the police service?

Mr BRADLEY: Yes. I am on a board that recommends the allocation of funds from the recovered assets pool and I therefore know each dollar of that sum applied to operational activity from the REA, as we call it.

The Hon. MICHAEL GALLACHER: I wish to put a hypothetical question to you—and it is not a trick hypothetical question: If the New South Wales police service identified someone through the course of an investigation who would be classified as a serious career criminal, where does the demarcation step in for the role of the Crime Commission to take control of that investigation and any question about assets? How is the determination made as to whether the confiscation of assets is dealt with by your organisation or by the police service?

Mr BRADLEY: The police service does not do much in the way of confiscation itself, although it does contribute substantially to the work of the Crime Commission. The police do a little bit of confiscation in the area of goods in custody. So that if a person is found, for example, in possession of drugs and cash, they are usually charged with goods in custody in relation to the cash. Other matters recovered at sentence are dealt with under the Confiscation of Proceeds of Crime Act, which is administered by the New South Wales Director of Public Prosecutions.

The Crime Commission administers the Criminal Assets Recovery Act, which is a civil-based recovery scheme whereby we essentially sue people for ill-gotten gains. Whether or not we become involved depends upon a number of factors including the amounts involved, whether the estate is not large or the evidence of profit is not great. There are a number of factors that determine whether we do or do not become involved. There are some other collateral forms of confiscation going on, including the Commonwealth's Proceeds of Crime Act and the Australian Taxation Office with which we work.

Mr CARL SCULLY: Generally, you need a reference, though.

Mr BRADLEY: Not for confiscation, no.

Mr CARL SCULLY: But you were asked about the investigation.

Mr BRADLEY: Yes, on the investigation side we become involved, firstly, if we have a reference and, secondly, if, as the Act provides, there are matters in relation to which ordinary police methods of investigation are unlikely to be successful. So that is a sort of rule. There are some activities in relation to which police can, using the resources and powers available to them, readily apprehend offenders. There are other activities in relation to which they cannot. If there is an existing reference that covers that field, it might be brought within that reference. If not, as is the case with many murders, new references are sought for specific crimes and the commission becomes involved in that way, after the management committee deliberates and refers a matter for investigation.

The Hon. MICHAEL GALLACHER: I have a number of other questions but, given that that we have a very unique and limited time slot available to us this evening, I will not pursue them at this stage. I may well come back to you at a later stage, if that is agreeable to you?

Mr BRADLEY: I am happy to do that.

The Hon. MICHAEL GALLACHER: Not this evening, though, unfortunately.

CHAIR: Mr Jenkins, do you have any questions for Mr Bradley?

The Hon. JON JENKINS: No.

CHAIR: In that case, thank you for your attendance tonight, Mr Bradley.

The Hon. MICHAEL GALLACHER: Commissioner Griffin, what was the total cost to your organisation of Operation Vail?

Mr GRIFFIN: I do not think I can give you the total cost off the top of my head. I have the figures that go to the legal costs at this stage and I can give you those. We could get the total costs after some auditing; we would not normally pull those together.

The Hon. MICHAEL GALLACHER: Do you keep a log of the total staffing hours involved in an operation like that?

Mr GRIFFIN: Not in particular investigations, except every now and then we choose an investigation to cost completely to give us an idea of whether our costs are within what we expect per investigation.

The Hon. MICHAEL GALLACHER: Do you know how many firearms were reported lost or stolen during the 2004-05 financial year for the police service?

Mr GRIFFIN: No, I do not.

The Hon. MICHAEL GALLACHER: You do not know?

Mr GRIFFIN: No.

The Hon. MICHAEL GALLACHER: Are they reported to your organisation?

Mr GRIFFIN: No, they are not.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee the number of category one complaints that you have received during this last financial year as opposed to the previous year to see whether there is a trend?

Mr GRIFFIN: I do not have the figures with me. However, the figures are consistent to the extent that the trend up and down is very slight. The category one figures have not varied in my time as commissioner by more than 10 per cent. Although, once again, if I could take that question on notice, I could give you precisely what you need.

The Hon. MICHAEL GALLACHER: Were you involved in Operation Emblem?

Mr GRIFFIN: No.

The Hon. MICHAEL GALLACHER: So the Police Integrity Commission [PIC] has had no involvement with Operation Emblem?

Mr GRIFFIN: I know the history of it because it was reported to me from time to time as it was proceeding, but we had no involvement. My understanding is that it is a police matter and, as Mr Bradley said, it was not a matter for them.

The Hon. MICHAEL GALLACHER: And the PIC has not made any orders or recommendations in relation to Operation Emblem?

Mr GRIFFIN: That is correct.

The Hon. MICHAEL GALLACHER: How many investigations did that the PIC directly undertake in 2004-05?

Mr GRIFFIN: The 2004-05 financial year?

The Hon. MICHAEL GALLACHER: Yes, please?

Mr GRIFFIN: I would have to give you those after checking. I do not have them with me at the moment.

The Hon. MICHAEL GALLACHER: Commissioner Moroney, can you indicate to the Committee the status of Operation Emblem?

Mr MORONEY: The complainant officers are officers of NSW Police. That complaint was made by a number of serving police officers through their industrial organisation, the Police Association of New South Wales. That complaint was made to me as the Commissioner of Police. It was registered as a formal complaint. It was the subject of investigation. That investigation has now concluded. I do not have the formal report of the investigator here in front of me. I am happy to provide his concluding comments. Suffice it to say, the investigation has gone as far as it possibly can and has been concluded.

The Hon. MICHAEL GALLACHER: Are you happy to provide the comments or recommendations of the investigating officer to the Committee on notice?

Mr MORONEY: Yes.

The Hon. MICHAEL GALLACHER: Have the concluding comments and recommendations in the report been made public?

Mr MORONEY: No, they have not been made public. The complainant officers have been advised of the outcome of that complaint conducted by the investigator. As it is a formal complaint within the complaints management system, the outcome of that investigation would have also been reported to the NSW Ombudsman, who, as you know, has oversight of those complaint matters.

The Hon. MICHAEL GALLACHER: Were there recommendations with respect to the preferment of criminal charges?

Mr MORONEY: I do not believe so because the investigator did not come to any final conclusion. I think he took the investigation as far as he possibly could at that point in time.

The Hon. MICHAEL GALLACHER: Were departmental charges laid?

Mr MORONEY: Not that I recall, but I would need to clarify that on a review of the documentation.

The Hon. MICHAEL GALLACHER: How many officers are attached to Task Force Gain as at today's date?

Mr MORONEY: I understand that currently there are 57 officers working on criminal investigations associated with Task Force Gain.

The Hon. MICHAEL GALLACHER: Can you indicate how many officers were attached to Task Force Gain as at 30 June 2004?

Mr MORONEY: No. Can I take that question on notice?

The Hon. MICHAEL GALLACHER: Yes, you may. When Task Force Gain was formed how many officers were attached to the task force?

Mr MORONEY: The task force was formed on 22 October 2003. I would take on notice the other part of the question so that I can provide an accurate answer.

The Hon. MICHAEL GALLACHER: Of the 57 remaining officers, can you indicate where they are assigned to—investigations, highway patrol, TAG?

Mr MORONEY: No, they are primarily attached to Task Force Gain, which, as you may know, is part of the New South Wales State Crime Command.

The Hon. MICHAEL GALLACHER: Are they assigned in units, one body, or are they respectively set up in various units for certain taskings?

Mr MORONEY: They primarily work out of one body: the State Crime Command.

The Hon. MICHAEL GALLACHER: Are you aware what highway patrol officers are currently working from Task Force Gain?

Mr MORONEY: No, I am not.

The Hon. MICHAEL GALLACHER: TAG officers?

Mr MORONEY: There are two supported TAG units based in Western Sydney. For the purposes of security I do not believe it is appropriate that I identify the geographic locations. But they provide a support function with a particular focus on drug detection.

The Hon. MICHAEL GALLACHER: When you say "support function", are they also doing other duties, apart from those involved with Task Force Gain?

Mr MORONEY: Their primary focus is drug detection and they are the target action group. They are independent units but they work in support of Gain, as and when their services are required.

The Hon. MICHAEL GALLACHER: I take it, therefore, you are saying that they are not ostensibly attached to Task Force Gain but, if they are needed, they are simply called upon? In other words, they are doing other jobs?

Mr MORONEY: Yes, they are doing the core functions as prescribed by the commander of Task Force Gain, but in support of the overall responsibility of Task Force Gain.

The Hon. MICHAEL GALLACHER: Where are these two support units—I do not mean where they are located geographically—structurally located?

Mr MORONEY: Within Task Force Gain, but working—

The Hon. MICHAEL GALLACHER: I mean, are they still shown on paper as attached to Task Force Gain or are they working on paper from another unit?

Mr MORONEY: No, I will take that question on notice. My understanding is that they are working within Task Force Gain but in two different geographic locations.

The Hon. MICHAEL GALLACHER: Are you in a position to indicate to the Committee the number of arrests that have been made by Task Force Gain since it started this year?

Mr MORONEY: Can I take that question on notice as well?

The Hon. MICHAEL GALLACHER: Yes, you may. I turn now to Operation Vail. Was any investigation undertaken by the commissioner or anyone in NSW Police to identify—according to the Police Integrity Commission report, Operation Vail—the alleged Drug Squad detective who was responsible for leaking the information?

Mr MORONEY: That is the subject of the current investigation.

The Hon. MICHAEL GALLACHER: Did you seek to have the terms of reference for Operation Vail extended?

Mr MORONEY: No. I wrote to the Commissioner of the Police Integrity Commission upon the receipt of independent legal advice, and the Police Integrity Commission conducted its own inquiry.

The Hon. MICHAEL GALLACHER: I turn now to Strike Force Piccadilly. How many ram raids in Sydney is the strike force currently investigating?

Mr MORONEY: Each of the current ram raids that have occurred here in Sydney is of recent origin, but they are also examining a number of historical matters.

The Hon. MICHAEL GALLACHER: Is that in conjunction with the New South Wales Crime Commission investigation Valentine or separate again?

Mr MORONEY: No, I am not familiar with that.

The Hon. MICHAEL GALLACHER: You have not provided an answer with regard to the total number of ram raids they are investigating.

Mr MORONEY: No, I would have to take that on notice.

The Hon. MICHAEL GALLACHER: Are you in a position to indicate to the Committee the total amount of money stolen from the ram raids thus far?

Mr MORONEY: It is not service policy to publicly indicate the amounts of money stolen in any of these types of offences, but if it is required on a confidential basis, I am sure it can be provided.

The Hon. MICHAEL GALLACHER: Can you indicate to the best of your knowledge how many luxury, high-performance or specialist motor vehicles have been stolen and used in ram raids and thefts thus far in connection with your investigations?

Mr MORONEY: I would take that question on notice. The theft of these motor vehicles is an issue in itself. The nexus between both thefts and ram raids needs to be clearly established, and that is the subject of Piccadilly's investigations.

The Hon. JON JENKINS: Minister, is the innocence project still under your control or has it moved to the Attorney General?

Mr CARL SCULLY: It is under Mr Debus.

The Hon. JON JENKINS: It has moved to the Attorney General?

Mr CARL SCULLY: Yes.

The Hon. JON JENKINS: I notice that you are putting up \$4.7 million to establish a new forensic research centre. Will the centre be used to engage in any sort of database activity to compare profiles taken from studies, in other words, cold hit type activities?

Mr CARL SCULLY: I will get the commissioner to answer that. The Government has fully supported this initiative, which involves a state-of-the-art centre where we can house most of our CSI capacity. We want to hire another 147 senior crime officers and obviously buy more technology. I know that the commissioner has been a very keen supporter of the forensic establishment. Commissioner, can you expand on that?

Mr MORONEY: Could you repeat the question so that I am clear on it?

The Hon. JON JENKINS: Will the centre be involved in profiling or matching non-particular crime, like cold hit type activities?

Mr MORONEY: The centre, once established, will not be not an alternative to the Division of Analytical Laboratories, which operates under the aegis of the Department of Health. It will not even be there in competition to that organisation. It is there primarily to support front-line police and criminal investigators in terms of the detection of forensic evidence, which goes to support and underpin the critical importance of criminal investigation, to provide evidence, to gather evidence, to analyse that evidence, albeit in the context of forensics that supports and underpins the investigations.

The Hon. JON JENKINS: Will you be looking at old evidence to try for a match as new people come to your attention and DNA samples are taken? Is there any intention to match current samples against previous crime scene samples?

Mr MORONEY: I think we are probably cutting across the work of the Division of Analytical Laboratories at this time. The primary focus at this time is to establish the centre. There is no reason that it could not do that, once appropriate protocols are established.

The Hon. JON JENKINS: We now know, for instance, that DNA has a lot more evidence than we previously thought. Is there any potential to use DNA for profiling, for instance? If you obtain DNA from a scene can you predict eye colour, hair colour and other physical and perhaps even other characteristics? Is there any intention to pursue these other uses of DNA?

Mr MORONEY: DNA is one of the most important and exciting investigative tools that has been provided to law enforcement, irrespective of the jurisdiction that is practising that particular science. We have our own independent criminal profiler within NSW Police. That is a very exhaustive and extensive training program over many years, and we are looking to extend that by the training of more profilers within NSW Police. Profiling is a unique science in itself, and it works side by side with forensic policing. But they are two very distinct things.

The Hon. JON JENKINS: There are no plans at this point in time to match the two of them together.

Mr MORONEY: No, but there is no reason why that could not be done in the future.

The Hon. JON JENKINS: I noticed that you are changing from the leasing of information technology equipment to purchasing IT equipment. Is there a fundamental reason for this? Generally, businesses tend to lease equipment.

Mr CARL SCULLY: I must admit that over the years I have noticed Treasury policy: one minute purchase is the best and the next minute it is leasing. Having been in the game for 10 years, I have seen it yo-yo between the two a few times. What is the latest?

Mr TREE: The latest is that it is Treasury policy that IT equipment should be owned rather than leased.

Mr CARL SCULLY: Wait for an update!

The Hon. JON JENKINS: I notice that there is a lot of new IT equipment and a lot of new technology coming on line, such as number plate recognition systems which presumably have some basic systems like that already, computer-aided dispatching systems or information exchanges with the Attorney General's Department and the court system and in-car data terminals. Can you give me a rough idea of how much you are spending on this technology?

Mr CARL SCULLY: I will have to take that on notice. It is not insignificant. The Government has spent a lot of money on giving police the resources they need.

The Hon. JON JENKINS: Are you developing any of this in house or are you buying solutions?

Mr CARL SCULLY: We are putting it out to the marketplace.

Mr TREE: That is correct.

Mr CARL SCULLY: It is all outsourced.

The Hon. JON JENKINS: It is all outsourced; there is no internal IT development?

Mr TREE: No, the operational requirements are determined internally but the provision of it is done through the market.

The Hon. JON JENKINS: All the—

Mr TREE: It is subject to the normal government tender process.

Mr CARL SCULLY: There are some overseas companies with foreign offices here. A lot of the gadgets that you buy in the telecommunications industry are foreign made but they have investments here and regional offices here.

CHAIR: I ask Committee members to ask questions and then allow for answers without interrupting because it is making it difficult for Hansard to get a transcript.

The Hon. JON JENKINS: When I get that break-up can I get roughly how much is being spent on hardware versus software versus consultants and administration?

Mr CARL SCULLY: Yes.

Mr MORONEY: I contribute to the answer by simply saying that one other important factor in why we would seek to go down this path, apart from the obvious advantages of technology, is the direct correlation between enhancements in law enforcement technology and the issue of the professional standards, conduct and behaviour of police officers. So very much—most—of this technology is designed for the obvious purpose that it is intended but it also has an important underpinning feature of supporting the integrity of investigations, which is an issue that historically has been the subject of comment.

Mr CARL SCULLY: You have probably seen the in-car video, which is working very well.

The Hon. JON JENKINS: Yes, it is very common in America. One question that is related to this, and it sort of comes back—perhaps it is not your area—to a combination of things such as number plate tracking and face recognition systems, which I presume you are looking at as part of this package. We are looking at legislation now in terms of banning people from sporting venues. I know that the United Kingdom may use face recognition software to aid in that process. This is now automated. All the cameras we have around the city area enable you basically to track a large number of the population moving at any one time. What provisions are you putting in place to protect against misuse of these resources?

Mr CARL SCULLY: We are bound by privacy legislation, as we all are, and there are protocols in place to protect that. We only store and retrieve when we need to. Most of it disappears. If there is an event we retrieve the data and the police investigate it, and it is processed through the courts.

The Hon. JON JENKINS: If you go to, for instance, the police to obtain information off something that is recorded and he or she accesses a particular piece of information—

Mr CARL SCULLY: True, and if there are transgressions they are dealt with.

The Hon. JON JENKINS: It would be the same, I presume, with this information—the number plate tracking, the face recognition systems—

CHAIR: Can you slow down your rate of speech? It is defeating our skilled Hansard reporters.

Mr CARL SCULLY: I think that is a reasonable question with our number tracking system. Occasionally police have accessed the computer operated police system [COPS] and the DRIVE system inappropriately and they have been disciplined. I would see it no different: If they are going to use number plate recognition systems to identify a person's details for inappropriate, non-policing reasons they would be disciplined. I would think the same if they are going to be in our control room and use it to look at attractive women, for example. That is inappropriate and they would be disciplined.

The Hon. JON JENKINS: Looking at the number of cameras around this highway system it would be easy to track where anybody goes from this software because they are all looking at the same time.

Mr CARL SCULLY: I would assume the commissioner would have protocols in place when this is developed, but there are very strict protocols for accessing DRIVES and COPS and police have been disciplined when they have inappropriately accessed data. It is very tough.

The Hon. JON JENKINS: Let me change tack a little. I want to turn to some terrorism questions. Given that the London terrorists were home grown, as the expression has become known, and Australia is directly threatened in one way or another, is there a specific budget allocation in this area? How are you allocating the extra funds because obviously this is a fairly new event? This is not

something that we have had to deal with previously. I notice from the Budget Papers that there has been no large increase in the police budget to deal specifically with this. How are you dealing with what would effectively be home-grown terrorists within your budget?

Mr CARL SCULLY: Probably the simplest thing is that we have the counter-terrorism command. We have an assistant commissioner and a large number of police officers dedicated to dealing with counter-terrorism.

The Hon. JON JENKINS: But that must have come out of your budget somewhere.

Mr CARL SCULLY: I think it was set up post Bali.

Mr MORONEY: That is correct. Coincidental to the unfortunate bombing in Bali, a submission, in terms of the coincidence of time, was made to the then Premier and Cabinet. As a result of that presentation Cabinet authorised an additional \$17 million, which ostensibly went to create the counter-terrorism co-ordination command.

The Hon. JON JENKINS: It is not a lot of money.

Mr MORONEY: It is certainly sufficient. That was our bid at that time, and it was funded to that extent. A lot of that money has gone for the acquisition of equipment for the command. Shortly I will be presenting to the Minister a range of proposals in terms of additional counter-terrorism measures, one of which will be an issue of funding.

Ms LEE RHIANNON: What is the total number of members in the New South Wales police force?

Mr CARL SCULLY: About 14,600 at the moment. That is not including support staff, which is about another 3,000.

Ms LEE RHIANNON: How many police are attempting to leave the force because they have been injured physically or psychologically as a result of their work?

Mr CARL SCULLY: There are about 450 long-term sick.

Ms LEE RHIANNON: So in fact your numbers are more likely to be a bit over 14,100.

Mr CARL SCULLY: If you deduct long-term sick, yes.

Ms LEE RHIANNON: Is it true that most of those want out; that they would be looking to get payments to get out of the force?

Mr CARL SCULLY: I could not say. Everyone is different. Some have physical injuries and they are rehabilitated and brought back to work. Some have psychological injuries and through counselling can get back to work. Some are not capable of getting back to work and they eventually leave. Each person is case managed individually.

Ms LEE RHIANNON: What would be the financial cost to the Government of paying out those approximately 450 officers?

Mr CARL SCULLY: I will take that on notice, but if they are not able to return to the force then they are entitled to what they are entitled to.

Ms LEE RHIANNON: Are you aware that many police officers have been used to direct traffic around the cross-city tunnel and on city streets where there has been chaotic traffic conditions due to changes associated with the cross-city tunnel? For the first time in many years we are seeing police on point duty, directing traffic in this area. Since the cross-city tunnel is a private venture with profits going to private companies, is this a reasonable use of public resources?

Mr CARL SCULLY: Traffic management is one of the core functions of police. They have been doing that since police began.

Ms LEE RHIANNON: But would you not agree, considering that we have not seen police directing traffic in the city for many years—

Mr CARL SCULLY: No, that is not true. If the lights break the cops are called.

Ms LEE RHIANNON: But this is not the lights breaking.

Mr CARL SCULLY: When the lights do not work who are you going to call? If there are traffic management problems and they need someone on the ground with authority, you call the cops. It has always been thus.

Ms LEE RHIANNON: We call the police when there are traffic problems like with the lights, and that is clearly a public responsibility. Also, police come in when there are various issues to do with event management or different management of large crowds or traffic problems which are often not of a public nature. Would there not be a responsibility for this company—considering that it is a private company that is having these traffic problems—to pay the police for the services?

Mr CARL SCULLY: You would have to talk to the roads Minister. If you are suggesting that motorists should find a user-pays principle where the consortium hires police, that is a complex process. I am quite relaxed about the police having traffic management as a core functions. I suggest you direct that to the Minister for Roads.

Ms LEE RHIANNON: Does that mean that you have a relaxed approach about user pays, or perhaps I could ask you this in another way? When do you implement a user-pays principle for NSW Police? When do companies have to pay for the services of the police?

Mr CARL SCULLY: It is a case-by-case basis.

Ms LEE RHIANNON: Who makes that decision?

Mr CARL SCULLY: The police commissioner and the Government. But government policy is that major events, such as the Forbes CEO conference or the Olympics, provide such value to the taxpayer that the police do not charge for their services.

Ms LEE RHIANNON: What do you charge the Royal Easter Show? It provides an incredible service to the people of Sydney and the people of New South Wales. In its case a user-pays principle is applied. It is not very consistent.

Mr CARL SCULLY: I do not agree. We have had a longstanding arrangement with the Easter show.

Ms LEE RHIANNON: But why is it charged and something like Forbes is not? To be honest, Forbes is here today and gone tomorrow.

Mr CARL SCULLY: The Easter show is still a commercial venture and the stallholders pay a reasonable rent. Anyone who wants to display out there pays. It is a commercial venture. We have charged the Easter show for a long time. About one million people go there.

Ms LEE RHIANNON: With all due respect, Forbes CEOs are some of the biggest money people in the world and they certainly could afford to pay.

Mr CARL SCULLY: I think you have to look at the potential. Only one chief executive coming to that meeting to make a decision to bring regional headquarters here would have created potentially hundreds of jobs.

Ms LEE RHIANNON: Are you satisfied with how the New South Wales police are using the cannabis cautioning system?

Mr CARL SCULLY: It is an operational matter for police. I have had nothing brought to my attention that would suggest otherwise.

Ms LEE RHIANNON: I am interested to know whether you are pleased with how the cannabis cautioning system is operating.

Mr MORONEY: I did not know whether it is a matter of being pleased or displeased. It is a viable program and primarily focused on those who are detected on the first occasions using that particular illicit drug. I think it is a viable program. I think it is a sensible policy that officers are encouraged to use when and where these circumstances are appropriate.

Ms LEE RHIANNON: Do you find that most police officers are open to using it?

Mr MORONEY: Yes, and I have not had any advice to the contrary.

Ms LEE RHIANNON: You aware that in Western Australia the cautioning system covers drugs other than cannabis, such as heroin and ecstasy?

Mr CARL SCULLY: I am not aware of that.

Ms LEE RHIANNON: Would you support an extension of the cautioning system in New South Wales to cover other drugs?

Mr CARL SCULLY: No.

Ms LEE RHIANNON: What involvement did New South Wales police have in trials of a cautionary regime for all illegal drugs, funded by the Federal Government, that was held in northern New South Wales and the Illawarra region?

Mr CARL SCULLY: I am not aware of that. I will have to take that question on notice.

Ms LEE RHIANNON: Commissioner, are you aware of the trials that the Federal Government funded in northern New South Wales and in the Illawarra?

Mr MORONEY: No, I am not.

Ms LEE RHIANNON: Can you take it on notice? Surely NSW Police—I would be interested even if the answer is no—would know when such trials were being carried out in New South Wales?

Mr CARL SCULLY: We will take that on notice and come back to you, but I can assure you that there will not be a heroin warning system.

Ms LEE RHIANNON: Can you also take on notice what the result of those trials in the Illawarra and northern New South Wales were?

Mr CARL SCULLY: As I said, I will take it on notice and come back to you.

Ms LEE RHIANNON: I would like to ask about police uniforms. It seems that police uniforms are being considerably upgraded with the reflective caps and the overall material, et cetera. How much money has been spent in the past financial year on uniforms for NSW Police?

Mr CARL SCULLY: I will take that on notice. I can tell you the cops love the cargo pants.

Ms LEE RHIANNON: Why do you think that is, Minister?

Mr CARL SCULLY: I think they find them very comfortable.

Ms LEE RHIANNON: Do the budget papers take into account the anticipated income for the private funding of police to attend events similar to where our discussion was going before? I just want to get a sense of how much money you will raise?

Mr CARL SCULLY: All revenue is in the budget. I will take it on notice, but I anticipate it being very modest. Almost overwhelmingly, our revenue is from the budget.

Ms LEE RHIANNON: Considering the emphasis these days on user pays and privatisation from your Government, why is this aspect of policing not applied more regularly? Is it because you are not so supportive of it or is there a policy that most of the time police should not be charging for their services? I am trying to get a sense of how this policy is applied. It does not seem to be always consistent.

Mr CARL SCULLY: If someone in the private sector or in the government sector believes that additional police are required over and above what the commander believes is appropriate for the event they have to pay for it. Normally it is done in a way that does not impact on the operational requirements of the command. The police officer does a set number of shifts per week, but comes back to work for the user pays. The commander still has those shifts available, so the operational requirement is not affected. This particular copper does extra work and gets paid, so he or she gets overtime. The coppers love that, not surprisingly.

It is a case-by-case basis. If the police have intelligence to suggest there is going to be a riot at a particular show, they will put the cops in there to deal with it and they will not charge for that. However, if the event warrants extra police just for crowd management, control or to have a greater presence to reassure the public, that is usually something that requires user pays. The commander and the event organisers usually negotiate what is appropriate. A level of police is allocated without charge. Police respond if needed if there is an incident. If the police are present to reassure the public or to deal with crowd control issues, the organisers are charged.

The Hon. MICHAEL GALLACHER: Mr Moroney, given that you now have 57 officers in Task Force Gain, do you not think it was a little enthusiastic of the Minister for Police to say back in 2003, "We will rid the streets of gun toting thugs and criminals who hurt this community" when you have ripped more than 100 cops out of Task Force Gain and it is now one-third of the size it was?

Mr CARL SCULLY: They are in gaol. We locked them up.

The Hon. MICHAEL GALLACHER: That is interesting, but I am interested in hearing the commissioner's view. Do you think you have won the war against gun toting thugs? It was an interesting quote. Former Minister Watkins talked tough. He said:

If you are out there and you are placing the lives of the New South Wales public and my police officers at risk through your illegal—and plain murderous—activities, then we are going to get you.

Do you think that battle is over? I do not.

Mr CARL SCULLY: Can I just deal with that? I do not want you to give the impression to the New South Wales community or to the media that are potentially listening to this that crime has increased or there is a concern here. Of course there is a level of gun crime. Homicides are being committed. The police still have work to do. If you have the privilege and honour of being our State's police Minister, you will never say we have now achieved zero crime, but we have made some great inroads. A hell of a lot of people are locked up. There has been great success: a lot of people have been locked up, a lot of guns have been found. Look at the crime rate. According to the Bureau of Crime Statistics most of the categories of crime are either falling or are stable. I am not going to have you suggest Task Force Gain has not been successful.

The Hon. MICHAEL GALLACHER: I did not say it was not successful. I am asking why you ripped two-thirds of the troops out of Task Force Gain?

Mr CARL SCULLY: I am happy to have the commissioner answer, but I think it is a reflection of how successful they have been.

Mr MORONEY: The policing response provided in October 2003 was appropriate to that time and for that place. In the intervening period of time up to June 2005 there were some 1,300 arrests and some 3,000-plus charges. Importantly, amongst those charges were charges in respect of murder. The response provided by NSW Police and the creation of Task Force Gain under Detective Chief Superintendent Inkster was appropriate. That body of work is now continuing. A number of those 1,300 people who have been arrested have appeared before the court and most of them have been in prison and served periods of imprisonment. Others are yet to face their trials.

The work that drew Task Force Gain together went across a range of crime categories. The work is now variously being done not only by Task Force Gain but also by nine other squads of the New South Wales State crime command, including homicide, the armed robbery and serious offenders squad, et cetera. The body of work continues and that will remain our focus. The construct of Task Force Gain in October 2003 was for a specific purpose and it achieved that immediate purpose. Now the body of work continues in other activities.

The Hon. MICHAEL GALLACHER: You indicated earlier you have two covert units working out of the 57 that are there?

Mr MORONEY: No, they are not covert.

The Hon. MICHAEL GALLACHER: You did not want to reveal their location, so I assumed therefore they are covert in that sense. Are they part of the 57 or in addition to the 57?

Mr MORONEY: I need to take that on notice, but my understanding is that the 57 are attached to Gain.

The Hon. MICHAEL GALLACHER: It was all to be funded as a result of the Criminal Assets Recovery Act. We heard earlier from Mr Bradley that he did not think a great deal had come in to the police in finances or revenue from the legislation. Can you tell the Committee the total amount that has been received and put into investigations by NSW Police as a direct result of the Criminal Assets Recovery Act?

Mr MORONEY: I will take that on notice.

Mr CARL SCULLY: I am concerned that the tenor of the question suggests—

The Hon. MICHAEL GALLACHER: Madam Chair, I have only a few minutes left and the last thing I need is polywaffle. Commissioner, does NSW Police have a central holding area for seized vehicles, boats and planes that would be recovered under the Criminal Assets Recovery Act?

Mr MORONEY: No. Motor vehicles, boats, et cetera, that are confiscated by the police in the course of investigations are variously held by local area commands in secure premises. There is no central holding facility for motor vehicles and boats. There is a large centralised exhibit holding facility in another location in the city.

The Hon. MICHAEL GALLACHER: It is fair to say, though, that some of these central holding areas in local area commands are fairly easily accessible if you are prepared to jump over a cyclone fence?

Mr MORONEY: Yes. Motor vehicles have been stolen.

The Hon. MICHAEL GALLACHER: Are you aware of how many motor vehicles have been stolen back by criminals that have been taken under the control of the police under the criminal assets recovery legislation?

Mr MORONEY: I am aware that motor vehicles have been stolen. The antecedents of the thefts, I am not certain of at this stage. I will take that question on notice.

The Hon. MICHAEL GALLACHER: Has the NSW Police assigned forensic accountants to each of the squads to analyse the work of each strike force and to identify the assets of offenders and places, caveats on houses, for example? I understand it has not been done.

Mr MORONEY: The issue of the forensic accountant certainly was applied in Task Force Gain. As to their application to other squads, I will take that question on notice and provide an answer.

The Hon. MICHAEL GALLACHER: I am told it has not happened. Would that be a concern to you if it has not happened?

Mr MORONEY: It is an important investigative tool.

The Hon. MICHAEL GALLACHER: We know it is an important investigative tool, but would you be concerned if this legislation has not been fully pursued because the resources are not there in the first place?

Mr MORONEY: If that is the case, yes, I would be concerned.

The Hon. MICHAEL GALLACHER: Since the introduction of the legislation, has NSW Police increased the number of staff at the assets confiscation unit?

Mr MORONEY: I will take that on notice. I do not have that here with me.

The Hon. MICHAEL GALLACHER: I am told it has not been increased. It is only a couple of cops sitting down there.

Mr CARL SCULLY: Are you asking or telling him?

The Hon. MICHAEL GALLACHER: I am trying to assist him. Commissioner, how many assistant commissioners does NSW Police currently have?

Mr MORONEY: There are five, one in charge of each region. There will soon be a sixth appointed to the newly created region that commences on 1 January 2006. There is one in the New South Wales State Crime Command. I think the total is about 12, but I can confirm the number.

The Hon. MICHAEL GALLACHER: I can understand the six and the one in the State Crime Command. What are the duties of the other six?

Mr MORONEY: In no order of seniority, there is an assistant commissioner currently in charge of the education and services portfolio. The commander of communications response group is an assistant commissioner. The commander of the counter-terrorism co-ordination command is an assistant commissioner. The commander of the special crime and internal affairs command is an assistant commissioner. There may be a number of others, but they just escape me at the moment.

The Hon. MICHAEL GALLACHER: Are any of those others doing special projects? I am told that four of them are doing special projects?

Mr MORONEY: I am not sure what you mean by special projects. They have additional command assignments that I have assigned them.

The Hon. MICHAEL GALLACHER: So they are still attached to their central area, their station if you like, but in addition to that there is potential for them to be doing additional projects?

Mr MORONEY: They have their primary portfolio responsibilities but each of the assistant commissioners has responsibility for a corporate portfolio. For example, an assistant commissioner may have responsibility for issues in relation to ethnic or cultural affairs or Aboriginal-related issues. They are responsibilities I tasked them with, which are broader corporate responsibilities in addition to their portfolio responsibilities.

The Hon. MICHAEL GALLACHER: Are you in a position to tell the Committee this evening how many firearms, if any, have been stolen in the past 12 months?

Mr MORONEY: Not at the moment. I will take that on notice.

The Hon. MICHAEL GALLACHER: What about stolen or reported lost warrant cards?

Mr MORONEY: Yes, I am aware there have been a number, and I will also take that on notice.

The Hon. MICHAEL GALLACHER: Are you aware there have been some firearms either reported lost or stolen?

Mr MORONEY: Are we talking about police firearms?

The Hon. MICHAEL GALLACHER: Yes, police firearms.

Mr MORONEY: Yes, I am aware. I am more than happy to find that if you have a period of time in mind.

The Hon. MICHAEL GALLACHER: Yes, in the financial year leading up to these budget estimates.

Mr MORONEY: I will take that on notice and provide an answer.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee whether you are aware of any police uniforms that have been reported lost or stolen during that same period?

Mr MORONEY: Yes, I am.

The Hon. MICHAEL GALLACHER: Will you also report to the Committee the total number of uniforms that have been stolen or reported lost during that period?

Mr MORONEY: Yes.

The Hon. JON JENKINS: Commissioner, you may not be able to answer this, and I will understand why if you choose not to answer. The retiring head of Scotland Yard revealed that it had foiled two serious terrorist attacks per year in the past five years in Britain. One of the ways it did that was to have thousands of undercover agents in the field at any one time. Have you foiled any serious terrorist attacks in the past two years? Can you put anything like that number of undercover people in the field? You may choose not to answer that, and I will understand if you do not.

Mr MORONEY: I cannot say anything. You will understand I am bound by the secrecy provisions of a number of Commonwealth Acts.

Mr CARL SCULLY: But suffice it to say we are concerned and we are doing as much as we can.

Ms LEE RHIANNON: I want to add to what you are taking on notice in questions from the Leader of the Opposition. Can you also include capsicum spray that has been reported lost, stolen or mislaid? I assume that is what the honourable member was meaning, stolen or mislaid?

The Hon. MICHAEL GALLACHER: I was referring to items stolen or reported lost.

Mr MORONEY: Yes, I will.

CHAIR: Minister, do you have any concluding remarks?

Mr CARL SCULLY: No.

The Hon. MICHAEL GALLACHER: Commissioner, how many complaints were received following the Macquarie Fields riots in February 2005 from members of the public about the conduct of members of the New South Wales Police Service?

Mr MORONEY: I will take that on notice as well.

The Hon. MICHAEL GALLACHER: Of the total number of complaints received, what was the total number of officers subject to the investigations?

Mr MORONEY: Yes. I understand the import of the question, based on complaints from members of the public?

The Hon. MICHAEL GALLACHER: Yes. Could you also take on notice to provide in writing to the Committee the same situation so far as Redfern is concerned: the total number of complaints that were lodged and the total number of officers that were subject to the investigations?

Mr MORONEY: Yes, I will.

The Hon. MICHAEL GALLACHER: Have any compensation claims being lodged by members of the public against the New South Wales Police Service as a result of injuries in either of those two riots?

Mr MORONEY: I am not aware of any such claims but I will check with the Director of Legal Services and provide an answer.

The Hon. MICHAEL GALLACHER: Have any compensation claims being lodged by serving members or former members of the New South Wales Police Service following those two riots?

Mr CARL SCULLY: Point of order: The Legislative Council has commenced an investigation into the Macquarie Fields incidents. So another Committee of this very Chamber is investigating all aspects of Macquarie Fields. Given that an inquiry has commenced, I think that is the appropriate forum to ask these questions. No doubt the Commissioner will be called, but the Chair of that Committee has advised that her investigation has commenced.

CHAIR: I note that the Standing Committee on Social Issues is commencing its inquiry into the incident at Macquarie Fields. It would be in order for questions on financial costs that may have issued from that to be asked at budget estimates. If the questions are taken on notice and there turns out to be a legal problem with providing the answers that would be a different matter.

Mr CARL SCULLY: I was just endeavouring to avoid duplication for your colleagues.

CHAIR: It is the upper House. We like duplication.

The Hon. MICHAEL GALLACHER: Where have the 45 officers been drawn from that recently were announced for the Public Order and Riot Squad?

Mr MORONEY: Those officers will be drawn from the New South Wales Police and the funding for them will be provided from within the New South Wales Police.

The Hon. MICHAEL GALLACHER: Will those officers be additional to the SPG or will they be drawn from the existing SPG and be formed into a specialised unit?

Mr MORONEY: No, they will be a distinct unit. They will be part of the Counter-terrorism Co-ordination Command. The State Protection Group is also part of that command, but they will be completely distinct from that command.

CHAIR: I thank the Minister and officers for their attendance here tonight. The Committee resolved earlier that we would require answers to questions taken on notice within 35 days. The Committee secretariat will forward the questions to you.

Mr CARL SCULLY: Thirty-five sitting days?

CHAIR: Thirty-five calendar days from the date of the sitting.

The Committee proceeded to deliberate.