

GENERAL PURPOSE STANDING COMMITTEE No. 3

Friday 1 September 2006

Examination of proposed expenditure for the portfolio areas

GAMING AND RACING, CENTRAL COAST

The Committee met at 8.00 p.m.

MEMBERS

The Hon. A. R. Fazio (Chair)

The Hon. Dr. A. Chesterfield-Evans
The Hon. M. J. Gallagher
The Hon. E. M. Obeid

The Hon. M. J. Pavey
Ms L. Rhiannon
The Hon. I. W. West

PRESENT

The Hon. G. A. McBride, *Minister for Gaming and Racing, and Minister for the Central Coast*

Office of Liquor, Gaming and Racing

Mr Michael Foggo, *Commissioner*

Mr Albert Gardner, *Director of Compliance*

Mr John Whelan, *Director of Policy Research*

Ms Sylvana Sturevska, *Manager, Responsible Gambling Fund Branch*

Casino Control Authority

Mr Brian Farrell, *Chief Executive*

Premier's Department

Representative: Ms Leoni Baldwin, *Central Coast Regional Coordinator*

CHAIR: I declare this hearing open to the public. I welcome Minister McBride and accompanying officials to this hearing. At this hearing the Committee will examine the proposed expenditure for the portfolios of Gaming and Racing and Central Coast. Before we commence I will make some comments about procedural matters.

Broadcast of proceedings: In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Committee members 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 the media must take responsibility for what they publish or interpretations they place on anything said before the Committee. Guidelines for the broadcast of proceedings are available on the table by the door.

Delivery of messages: Any messages from attendees in the public gallery should be delivered through the chamber and support staff or the Committee clerks. Minister, you and the officers accompanying you are reminded that you are free to pass and referred directly to your advisers at the table.

Mobile phones: Everyone must turn off their mobile phones.

Format of the hearing: Minister, the Committee has agreed to the following format for the hearing. We are going to ask you about Gaming and Racing and the Central Coast randomly. We do not propose to have a break during the 2½ hours. However, if you need a break, please so indicate and we will break for a couple of minutes. Do you anticipate that this will pose any difficulties?

Mr GRANT McBRIDE: No.

CHAIR: Minister, I advise that the Committee has resolved to request that answers to questions on notice be provided within 21 calendar days of the date on which they are sent to your office. Do you anticipate that this will pose any difficulties?

Mr GRANT McBRIDE: No.

CHAIR: We have to swear in witnesses at these estimates hearings, so all witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I shall ask all other witnesses, in turn, to state your full name, job title and agency, and either take an oath or an affirmation.

MICHAEL FOGGO, Commissioner, New South Wales Office of Liquor, Gaming and Racing, and

SYLVANA STUREVSKA, Manager, Responsible Gambling Fund Branch, New South Wales Office of Liquor, Gaming and Racing, affirmed and examined, and

ALBERT GARDNER, Director of Compliance, New South Wales Office of Liquor, Gaming and Racing,

JOHN WHELAN, Director of Policy and Research, New South Wales Office of Liquor, Gaming and Racing,

BRIAN FARRELL, Chief Executive, Casino Control Authority, and

LEONI BALDWIN, Central Coast Regional Coordinator, Premier's Department, sworn and examined:

CHAIR: I now declare the proposed expenditure for the portfolios of Gaming and Racing and Central Coast open for examination. Minister, would you like to make a brief opening statement?

Mr GRANT McBRIDE: Yes, Madam Chair. I thank you for the opportunity to open tonight's proceedings and for the chance to outline, in front of the Committee, some the achievements by the Iemma Government in the portfolios of Gaming and Racing and the Central Coast.

On the Central Coast — the regional home to my electorate of The Entrance — I have been pleased to see a strong commitment by the Government to infrastructure spending to meet the needs of a growing population. In this year's State budget the Central Coast received a massive 69 per cent increase in capital road expenditure, bringing the total estimated road spending on the Central Coast to \$73 million for the year 2006-07.

This increased commitment to funding means key projects throughout the Central Coast arterial road network will receive welcome upgrades. Some of the upgrades include: \$12.5 million to widen the Pacific Highway through Ourimbah; \$12 million towards widening The Entrance Road between Ocean View Drive and Tumbi Road; \$8 million to complete widening on The Entrance Road between Terrigal Drive and Carlton Road; \$10 million to upgrade the Pacific Highway between Tuggerah and Wyong; and \$5 million for the upgrade of Avoca Drive between The Entrance Road and Sun Valley Drive. This increase in funding follows extensive consultation between my office, Gosford and Wyong councils and the Roads and Traffic Authority. While I congratulate roads Minister Eric Roozendaal for his commitment to the Central Coast, I also acknowledge there is still a lot of hard work to be done as a Government to improve the arterial road network of the region and improve travel times for local motorists.

Also within the Iemma Government's first budget I was pleased to see continued support for the complete rebuild of public hospital services on the Central Coast. The sum of \$16.5 million will be spent during the current financial year on the ongoing redevelopment of Wyong hospital. Similarly, \$14 million will be spent carrying out similar improvements at Gosford hospital. This spending brings the New South Wales Government's total commitment to rebuilding our public hospitals to in excess of \$220 million over the past four years. This means patients on the Central Coast now have access to first-class facilities which, up until recently, were only available in Sydney or in the Hunter. However, these state-of-the-art facilities and equipment would mean little if not for the thousands of hard-working nurses and clinicians who staff our local hospitals.

It would be remiss of me not to take this opportunity to publicly thank the health services employees on the Central Coast for their dedication to quality treatment and patient care. I am advised that more than 5,400 staff now work in Central Coast hospitals — an increase of almost 800 front-line staff over the past three years. It is important to emphasise that this is the single largest employer on the whole of the Central Coast and reflects one of the issues on the Central Coast—employment. Basically, a large number of people on the Central Coast are actually employed in the service industry.

A tribute to these hard-working staff is the fact that long-term surgery waiting lists on the Central Coast have dropped dramatically. Recent figures show that long-term waiting lists — that is, patients who have waited longer than 12 months for elective surgery — have been slashed by more than 98 per cent. In June 2005 there were 477 patients on the long wait at Central Coast hospitals. Figures for June 2006 show there were just eight patients on the long wait list — a tremendous achievement by any standard.

The focus on the Central Coast by this Government extends far beyond the issues of roads and health. Premier Morris Iemma himself has signalled through his actions and words that the Central Coast is a priority for this Government, and I thank him for his commitment to the people of the Central Coast. Morris Iemma has visited the Central Coast on no less than six occasions since becoming Premier just over a year ago. I thank him for his willingness to listen to the people of the Central Coast and his commitment to a new direction for the region. This new direction will see Government focusing on improving services and infrastructure on the Central Coast.

One of the Premier's many visits to the region was to announce several measures to help address the Central Coast's critical water supply shortage. I must point out that the issue of water supply on the Central Coast is managed by the Gosford City and Wyong Shire councils through the Gosford Wyong Councils Joint Water Authority. Nevertheless, the New South Wales Government has announced a number of important initiatives to help secure the future water demands of the Central Coast. These initiatives include \$7.5 million towards the construction of the Hunter Central Coast

pipeline, a project that would cost in the order of \$27 million; \$2.5 million for a pre-treatment plant to transfer more water from the Williams River into storage in the Hunter region; a temporary reduction of environmental flows in Ourimbah Creek; extension of the Water Savings Program to the Central Coast; and commencement of talks to corporatise the Joint Water Authority, an initiative that has been on the Government's agenda for more than 18 months.

I should also point out that the Joint Water Authority is taking a number of actions. One of those actions is harvesting water from the Porters Creek Flood Plan, for which they are now seeking approval. It is also involved in a groundwater harvesting, and it is looking at reviewing desalination for which some exploratory works are being carried out at the moment. As I mentioned earlier, water supply is a pressing issue. The New South Wales Government will continue to work in consultation with both local councils to develop long-term strategies to secure the future of the Central Coast water supply.

This year I was pleased to see a greater focus placed on the Central Coast as having regional status. In September 2005 the Geographical Names Board officially named the Central Coast as a region. Although the area has been known by such name for nearly half a century—it was the name given by the founding president of the Central Coast Leagues Club who was then an editor and owner of the local paper in Gosford—it has now been recognised by the Geographical Names Board. I congratulate David Meehan on his consistency and dedication in seeing that project through. More recently, the Premier rolled out the first Central Coast Highway signs. The Central Coast Highway is an important project that will see the region's main tourist route re-badged. Presently the main arterial network between Kariong and Doyalson via beachside suburbs such as Wamberal and The Entrance involves 12 individual road names. The overlaying naming of the route, the Central Coast Highway, will provide for easier navigation for visitors to our region, as well as increased marketability and attraction for local businesses and operators. I could go on for much longer talking about Central Coast. I genuinely have a great passion for the Central Coast and a pride in seeing the region move forward.

However, there are a number of aspects of my primary portfolio, Gaming and Racing, that I would like to share with the Committee as part of this opening statement. I begin by outlining some key events that have impacted on the racing industry over the past 12 months. As members of the Committee would be aware, on 15 May this year the debilitating TV broadcast war between Tabcorp and TVN was resolved. This followed an announcement by Tabcorp in April that Sky Channel would be put back on the Austar network, giving pay TV country viewers the chance to see metropolitan racing from their homes. Up to that point because the Austar network was not receiving Sky Channel in regional and country areas it was having a detrimental effect on wagering turnover, which has translated into a reduction in actual turnover and also a reduction in distribution to the different codes. Since the resolution wagering turnover in the New South Wales racing has increased, effectively breathing new life and fresh hope into the New South Wales racing industry. Given the chance to start afresh and plan for the future sustainability of the industry, I felt it was an appropriate time to order an independent review into the Thoroughbred Racing Act 1996. I appointed Mr Ken Brown, OAM, former Director General of the New South Wales Department Gaming and Racing, to undertake the review.

I can report to the Committee that submissions have now closed, and that Mr Brown is currently in the process of analysing more than 40 submissions received from the racing industry and the wider community. Mr Brown is expected to report his findings to me in the coming weeks, including recommendations of appropriate action to ensure that the New South Wales racing industry remains a vibrant and sustainable part of our social fabric. The New South Wales Government, through the portfolio of Gaming and Racing, is actively promoting the key principles of respect and responsibility. The Office of Liquor, Gaming and Racing has facilitated a dramatic increase in the number of active liquor accords throughout New South Wales. I am advised that there are now more than 130 liquor accords throughout New South Wales involving more than 3,500 licensed premises. Liquor accords are a unique partnership between the Office of Liquor, Gaming and Racing, licensees, police, local councils and other government departments, such as Health, the Roads and Traffic Authority, Transport and, most importantly, the community. Liquor accords operate by the motto, "local solutions for local problems", allowing individual communities to work together to develop responsible measures to manage alcohol-related anti-social behaviour in their area.

The New South Wales Government is committed to changing the culture of alcohol consumption in New South Wales and promoting responsible practices within licensed premises. What we are about is, as I said, changing the culture in terms of the consumption, distribution, sale and use of alcohol in our community. The Government is working on a number of levels with licensed venues such clubs to deliver reform and cut red tape within the industry. Through the club industry working group the Government is working in partnership to deliver the much-needed reforms and an industry plan to ensure the future viability of registered clubs in a competitive entertainment marketplace. Clubs play an important role in the local community supporting not-for-profit organisations, in particular sporting clubs. It is important that the future sustainability of clubs is maintained so that this precious community contribution is not lost. As with the Central Coast, I could continue on the topic of Gaming and Racing for some time. However, I will leave it here and invite questions.

The Hon. MELINDA PAVEY: At what stage are the department's investigations into allegations that the bar at the New South Wales Police Academy was operating without a licence earlier this year?

Mr GRANT McBRIDE: In response to your question, the department's investigation commenced following allegations of intoxication and inappropriate conduct by trainees in the Police Academy bar. Upon initial investigation it was established that the academy bar had traded illegally since the departure of the approved licensee—

The Hon. MELINDA PAVEY: Illegally?

Mr GRANT McBRIDE: Illegally. It is nothing. It is a—

The Hon. MELINDA PAVEY: It is nothing. That is good news.

Mr GRANT McBRIDE: No. I withdraw that comment.

CHAIR: Order!

The Hon. MELINDA PAVEY: No, too late, you said it.

Mr GRANT McBRIDE: No.

CHAIR: Order! Let the Minister answer without interjecting.

Mr GRANT McBRIDE: It was trading illegally, and we will explain that later. Since the departure of the approved licensee in early January 2006, these issues were raised with the academy's commander, who gave an immediate instruction to close the bar pending compliance with the liquor laws. Since this matter came to light departmental officers have worked closely with the police to ensure that the sale of liquor at the academy remains under the strict control of the police, that appropriate systems and policies are in place, and that the sale of liquor and the conduct of patrons is consistent with community expectations. In terms of prosecution action involved in the illegal sale of alcohol and other related matters, the investigation is ongoing and the director is yet to consider his position in the matter. It is the department's intention to closely monitor the academy's bar operation to ensure compliance with the liquor laws.

The Hon. MELINDA PAVEY: A little bit embarrassing, is it not, that the Police Academy had an unlicensed bar?

The Hon. EDDIE OBEID: That is not a question.

The Hon. MELINDA PAVEY: Embarrassing?

Mr GRANT McBRIDE: Mr —

The Hon. MELINDA PAVEY: No. Okay. Was there—

Mr GRANT McBRIDE: Hang on. You asked the question.

CHAIR: Order! The director general is going to answer.

Mr GRANT McBRIDE: We will have a reply to the question Albert Gardner can explain the nature of the illegality to you.

Mr GARDNER: The information I have to hand is that the former licensee, who was in a contract arrangement with the management of the Police Academy, had submitted a number of documents to the Police Academy staff. Those documents were processed, but, unfortunately for the Police Academy, they did not arrive at our office for processing the change of licensee.

The Hon. MELINDA PAVEY: There could be fines?

Mr GARDNER: There is a process that we will look at to consider what action we will take. The Liquor Act speaks for itself in that there are funds available.

The Hon. MELINDA PAVEY: When do you think it will all be wrapped up?

Mr GARDNER: I would expect it would be about another month.

The Hon. MELINDA PAVEY: Because of this administrative error of some sort the bar at the Police Academy was operating without a licence. That is correct, is it not?

Mr GARDNER: That is correct.

The Hon. MELINDA PAVEY: What has been the impact on clubs employment and clubs contractors' employment after the implementation of the Government's increased gaming taxation for the past two years? Minister, is there any figure on that?

Mr GRANT McBRIDE: We do not collate any figures on that particular issue.

The Hon. MELINDA PAVEY: So you would not have any indications of what may happen after the imposition of the full three-year increase in gaming taxation rates from today?

Mr GRANT McBRIDE: No.

The Hon. MELINDA PAVEY: What was the final overall cost of the Temby inquiry into the Penrith Panthers Club, including your own departmental costs and the costs of the department's review of the Temby inquiry's report? I would be happy to take that on notice.

Mr GRANT McBRIDE: In regard to that question, it was asked last year and I responded to that question last year.

The Hon. MELINDA PAVEY: No, the final overall costs. There were not any extra costs following budget estimates last year? Is that which you are saying, Mr Foggo?

Mr FOGGO: Yes.

The Hon. MELINDA PAVEY: What was the outcome of the department's review of the Temby inquiry report?

Mr GRANT McBRIDE: The outcome of that was actually posted on the web site following the decision.

The Hon. MELINDA PAVEY: So all recommendations have been picked up?

Mr GRANT McBRIDE: Yes.

Mr FOGGO: Yes.

The Hon. MELINDA PAVEY: Have there been any other inquiries under section 41X rather than the Temby inquiry or Panthers?

Mr FOGGO: No.

The Hon. MELINDA PAVEY: So we had special legislation introduced into this Parliament for one particular case. There has not been a need to do it again?

Mr GRANT McBRIDE: Legislation was brought in as generic.

The Hon. MELINDA PAVEY: But we have not had reason to use that legislation again?

Mr GRANT McBRIDE: No, but it was generic.

The Hon. MELINDA PAVEY: Does the Government intend to review the gaming taxation raised in clubs in the three years since the clubs' gaming taxation was increased in September 2004, compared with the budget estimates published at the time of the budget in 2003? Is the Government intending to lower rates if there has been an overrun, or raise rates if there has been a shortfall?

Mr GRANT McBRIDE: All State taxation policy, including gaming machine taxes payable by clubs and hotels, rests with my colleague the Treasurer.

The Hon. MELINDA PAVEY: What allocations have been made, by recipient, amount and purpose, from the Casino Community Benefit Fund during the period 1.7.05 to 31.08.06. Would you like to take that on notice?

Ms STUREVSKA: In relation to the Responsible Gambling Fund, that information certainly is available. I would like to take it on notice.

The Hon. MELINDA PAVEY: But, Ms Sturevska, have any grants being made to any government department, agency, instrumentality or government-related entity, such as the Powerhouse Museum for example, from the Casino Community Benefit Fund since July '05 to August '06?

Ms STUREVSKA: No.

The Hon. MELINDA PAVEY: Minister, will you give a guarantee that a future possible Labor Government will maintain a one casino policy for New South Wales at the expiration of the current licence for the Star City Casino?

Mr GRANT McBRIDE: The current situation is that Star City has a licence to operate the casino in New South Wales until 2003. However, Star City's exclusive right to operate the casino in New South Wales expires in September 2007. Taxation arrangements for the existing casino expire in September 2007 and new arrangements will need to be put in place by then.

The Hon. MELINDA PAVEY: Are you going to stay with the one casino policy?

CHAIR: Order! Do not interrupt the Minister. He has not finished his answer.

The Hon. MELINDA PAVEY: It is a simple question. It does not need a dorothy dixer.

CHAIR: It is getting a full answer, so just wait.

Mr GRANT McBRIDE: Can there be another casino in New South Wales, is your question. The Casino Control Act 1992 specifies that can only be one casino licence and that licence can only be for one casino. No other casino licence could be granted or a second casino allowed under the existing licence, and our Government has always supported a one casino policy.

The Hon. MELINDA PAVEY: Under the existing licence or the law? So there is no change?

Mr GRANT McBRIDE: No.

The Hon. MELINDA PAVEY: No change. Guaranteed?

The Hon. MICHAEL GALLACHER: You guarantee there will be no change?

Mr GRANT McBRIDE: I am just saying to you that currently there is—

The Hon. MICHAEL GALLACHER: Oh!

CHAIR: Order!

Mr GRANT McBRIDE: No, well, I am saying that under the existing legislation 2003, what have you, there is no policy to change the existing one licence casino policy in New South Wales.

The Hon. MELINDA PAVEY: It is going to stay the same?

Mr GRANT McBRIDE: Right.

The Hon. MELINDA PAVEY: Okay, thank you. Does the New South Wales Government intend to proceed with the implementation of gaming tax rates for hotels as budgeted by Treasurer Egan to the conclusion of the scale in 2010-11?

Mr GRANT McBRIDE: Again, you are asking about taxation policies. I did say to you a bit earlier in regard to a previous taxation policy question that all these taxation policy issues, taxes paid by clubs and hotels, rests with the Treasurer, and that is where taxation lies.

The Hon. MELINDA PAVEY: I thought you might have had an opinion on it as the Minister for Gaming and Racing.

The Hon. EDDIE OBEID: Opinion is no good. We are not here for opinions.

Mr GRANT McBRIDE: Yes, that is right. It is up to the Treasurer to give his opinion.

The Hon. MELINDA PAVEY: Does the Government still intend to legislate for the abolition of the Liquor Administration Bill? There was that big splash in the papers a few months ago. Do you know? Do you still intend to legislate?

CHAIR: Order! The Minister is getting an answer.

The Hon. MELINDA PAVEY: It is a simple question.

CHAIR: Yes, and you will get an answer if you wait.

Mr GRANT McBRIDE: Or an even longer answer. I will most probably give you the short answer because the larger answer is four paggers.

The Hon. MELINDA PAVEY: It is a simple question. Does the Government still intend to legislate for the abolition of the Liquor Administration Board? Yes or no, Minister?

Mr GRANT McBRIDE: The Government released the draft liquor bill for public comment in November 2005. The bill represents a complete rewrite of the New South Wales liquor licensing laws and includes wide-ranging and comprehensive changes to the regulatory framework. The Government was required to review the liquor laws under the National Competition Policy. The bill also includes changes to the liquor laws arising from the Alcohol Summit along with necessary liquor industry reforms. Many of the proposals in the liquor bill will result in less costly and complex laws—many of the proposals. It will be easy for the public to have their say on the liquor licensing

application. Given the interest in the bill, the consultation period was extended by the Government to allow more time for public submissions and we are carefully considering the community's response before finalising the bill. So the bill is—

The Hon. MELINDA PAVEY: But you have told the stakeholders that the Liquor Act will now not be rewritten and that intended legislation will not be introduced to Parliament, despite the existence of a white paper.

Mr GRANT McBRIDE: Who said that?

The Hon. MELINDA PAVEY: I have the information that you have been advising stakeholders that legislation will not be introduced into Parliament this year.

Mr GRANT McBRIDE: No, that is not true.

The Hon. MELINDA PAVEY: So there could be legislation this year.

Mr GRANT McBRIDE: There could be.

The Hon. MELINDA PAVEY: Mr Foggo, are you drafting legislation for the Minister because we have only about 26 sitting days left?

Mr FOGGO: It is not the responsibility of my organisation to draft legislation. We provide policy advice to the Minister in relation to these matters, and that is what we are doing at the moment.

The Hon. MELINDA PAVEY: Mr Whelan, you are the Director of Policy and Research.

Mr GRANT McBRIDE: When it comes to a decision—

The Hon. MELINDA PAVEY: Are you doing legislation at the moment?

Mr GRANT McBRIDE: Excuse me.

CHAIR: Order! The Minister is answering.

Mr GRANT McBRIDE: When it comes to a decision in regard to the Government's policy in terms of legislation, it is a decision of Cabinet.

The Hon. MELINDA PAVEY: Oh, Cabinet.

Mr GRANT McBRIDE: Yes, that is right. Exactly.

The Hon. MELINDA PAVEY: Okay.

The Hon. EDDIE OBEID: Do you want to go and ask them?

The Hon. MELINDA PAVEY: Who is preparing the policy paper for Cabinet on this?

Mr GRANT McBRIDE: My department prepares the policy paper, but the legislation is produced by counsel.

The Hon. MELINDA PAVEY: Do you know how much money has been spent on the process to this point?

Mr GRANT McBRIDE: No.

The Hon. MELINDA PAVEY: Would you be able to take that on notice?

Mr FOGGO: It would be difficult to assess. I mean, we have a senior policy adviser or officer looking at a range of activities in terms of both the responses and the drafting of the original draft bill. I mean, he is essentially working on it full-time almost.

Mr GRANT McBRIDE: Almost.

Mr FOGGO: I can give you his costs but, apart from that, there has not been a lot of other expenditure on it. But there will be other times: for example, the Director of Policy and Research will also be spending some time in relation to it and probably one or two other staff as well.

The Hon. MELINDA PAVEY: Did you prepare the white paper, Mr Whelan?

Mr WHELAN: Sorry, what white paper are you referring to?

The Hon. MELINDA PAVEY: The Liquor Act, or amendments to the Liquor Act.

Mr WHELAN: No, I did not.

The Hon. MELINDA PAVEY: Minister, are you aware that your predecessor, the Hon. Richard Face, now heads a consultancy seeking to represent landlord hotel owners over the loss of gaming machine entitlements [GMEs] at the hands of their tenant licensees, which is against the intention of the Act that he in fact introduced?

Mr GRANT McBRIDE: That is in respect to the lessor-lessee dispute? The Gaming Machines Act—

The Hon. MELINDA PAVEY: No. I understand the issue.

The Hon. EDDIE OBEID: Well, why not specify it.

The Hon. MELINDA PAVEY: I asked a simple question, whether the Hon. Richard Face now heads up a consultancy seeking to represent the landlord hotel owners. Are you aware of that?

The Hon. EDDIE OBEID: Why should he know that?

Mr GRANT McBRIDE: Hang on. I am not aware of that, no. I have had no approaches from Richard Face in regard to any position in relation to this particular area.

The Hon. MELINDA PAVEY: Will the continuing implementation of the policy allowing transfers of gaming machine entitlements [GME] by licensee tenants cause the closure and loss of country hotels?

Mr GRANT McBRIDE: I saw that item on *Stateline*.

The Hon. MELINDA PAVEY: Good.

CHAIR: Order! Do not interrupt the Minister.

Mr GRANT McBRIDE: It is good you have given me this opportunity. Why? Because on *Stateline* it was not explained very well, I think it would have left a lot of people confused. In regard to the lessor-lessee dispute, the Gaming Machine Act 2001 makes a provision for the lessor of a hotel to approve the sale or transfer of poker machine entitlements where they have an appropriate financial interest in the operation of the hotel. If a person with a financial interest objects to the sale, the Liquor Administration Board [LAB] cannot approve the transfer of the entitlements. The LAB decides who has a relevant financial interest, based on the circumstances of each case.

A small number of disputes between lessors and lessees and the decisions of the board have been heard before the Supreme Court. The court has taken the interpretation of the rights of lessors and lessees based on cases before it. Now, understand they are private financial arrangements between parties. As well as that there is no generic contract between lessees and lessors, and there are

approximately 1,800-odd hotels across New South Wales so there could be that many of those kinds of contracts. It is very important to know that in each contract there will be different conditions. The Government cannot renegotiate leases or determine the contractual and equitable rights of the parties. I emphasise that: the Government cannot renegotiate leases or determine the contractual and equitable rights of the parties.

Before any change to gaming machine legislation can be considered, the Government must understand the precise impact any changes may have throughout the myriad of existing agreements across the hotel industry. As I said, there are 1,800 hotels and all could have different lease conditions. To fail to properly consider the ramifications of any changes is totally irresponsible. At the moment the policies of these matters are contractual matters between parties, they are private financial matters and they can be settled in the normal way.

The Hon. MELINDA PAVEY: What has been the progress of developing a code of practice for conduct as well as accreditation for security staff and bouncers on licensed premises?

Mr GRANT McBRIDE: That is a police issue.

The Hon. MELINDA PAVEY: Okay. Have you or your department held any meetings with former Minister Richard Face? If so, will you provide the Committee with a list of dates and the purpose of such meetings?

Mr FOGGO: I have met with Richard Face on one occasion within the last 12 months. That was in relation to a lessor-lessee dispute. We meet with a number of ex-politicians from all sides of the House. Based on legal advice we will continue to deal with politicians in a professional and impartial manner.

The Hon. MELINDA PAVEY: Did he make it clear to you that he had a consultancy, acting on behalf of the hotels with licence problems with the GME?

Mr FOGGO: My recollection is that there was no discussion about his consultancy. He attended with probably three other gentlemen who were concerned with this particular area.

The Hon. MELINDA PAVEY: I turn to a racing issue. What has been the cost of administration over the past 12 months ended 30 June 2006 compared to the previous 12 months for Racing New South Wales, Greyhound Racing New South Wales, Harness Racing New South Wales and the Greyhound and Harness Racing Control Authority?

Mr GRANT McBRIDE: I will take that on notice.

The Hon. MELINDA PAVEY: Minister, what has been the overall prize money in the thoroughbred racing industry, the greyhound racing industry, and the harness racing industry in New South Wales in each year ended 30 June 2004, 2005 and 2006? Do you want to take that on notice?

Mr GRANT McBRIDE: No, I know it is an important question for you. Mr Whelan will read it to you.

Mr WHELAN: What years?

The Hon. MELINDA PAVEY: 2004, 2005, 2006.

Mr WHELAN: Okay. I have 2004-05, I do not have 2005-06.

The Hon. MELINDA PAVEY: I was asking about the financial year ending 2004, the financial year ending 2005 and the financial year ending 2006.

Mr WHELAN: Okay. I have ending 2004 and ending 2005. For thoroughbreds in the year ending 2004 it was \$96.875 million; for thoroughbreds in the year ending 2005 it was \$99,898,460; for harness in the year ending 2004 it was \$19.600 million; for harness in the year ending 2005 it was

\$21,421,081; and finally for greyhounds in the year ending 2004 it was \$14,501,011; and for greyhounds in the year ending 2005 it was \$15.500 million.

The Hon. MELINDA PAVEY: For the year 2006 it is not finalised yet?

Mr WHELAN: I do not have that, no. I can get that for you.

The Hon. MELINDA PAVEY: Thank you.

CHAIR: The Committee will now go to crossbench questions.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why was the Life Activities of Gambling counselling service for people with mental illness or disability and gambling problems defunded this year despite the fact that about 20 people a year lose their houses, as a minimum?

Ms STUREVSKA: Life Activities was not defunded. Funding for that particular service or other statewide services, as we call them, ended on 30 June this year. We had what we call a statewide funding program. That funding program is based on a competitive submission style process. There are three independent stages prior to the Minister's consideration. The trustees make those recommendations. Funding for that particular group and provision of services for that group was awarded to an organisation through this competitive submission style process.

Services are unavailable for that group from 1 July this year. There is no gap in the provision of services to that group of people with a disability. The Life Activities service did apply for funding under that particular round, but was not successful in receiving funding.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is that service going to be delivered to the people of Newcastle, or is it all in Sydney?

Ms STUREVSKA: Absolutely, the service will be delivered throughout New South Wales. Counsellors and caseworkers who need help within the Hunter region can contact at 1800 number and seek help within 24 hours. It is not just a service for that group specific to that region, but for the whole of New South Wales.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It has changed from a service pack to the residents in Newcastle to a counselling service by phone, is that right?

Ms STUREVSKA: No. Initial contact is normally on the phone, that is 90 per cent of cases and they have satellite locations and counsellors can go to where the client is based and where the help is needed.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is there a satellite in Newcastle, not an office? Is that the bottom line?

Ms STUREVSKA: That is right. A counsellor can go to Newcastle but there is not an office.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So they would go from Sydney?

Ms STUREVSKA: They are based in Sydney, yes. They are part of a statewide service. Life Activities even though classified as a statewide service was based in the Hunter but did not service the rest of New South Wales.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Newcastle has less service but the rest of the State has more, is that the bottom line?

Ms STUREVSKA: No, I do not believe so. Every region in New South Wales would have the same access to this service for that particular target group.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why so little service when \$500 million was given to the Casino for the renewal of its licence?

Ms STUREVSKA: Sorry?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why is there so little service when \$500 million was received by the State? I think it is a question for the Minister. Is there no answer to the question? So \$500 million was received from the casino for its licence. Is that not so?

Mr FARRELL: What period are you talking about?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I gather from the Newcastle *Herald* that this organisation has been defunded and the alternative arrangements just described have been put in place. But I understand that \$500 billion was received for renewal of the casino licence. Is that not so?

Mr FARRELL: No. The casino licence was issued in the early 1990s. There were lump sum payments made at that time as part of the bid process but there has been no lump sum payment since and there has been no licence renewal since.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, are you aware that between September 2000 and September 2005, 53 New South Wales country pubs disappeared?

Mr GRANT McBRIDE: We do not keep records in regard to the transfer of pubs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You may recall the poker machine entitlement legislation. I asked during in my contribution to the second reading debate at that time whether the benefits would flow to the lessees or to the hoteliers. In his speech in reply the Hon. Henry Tsang failed to answer my question. I pointed out that some lessees were actually scarping with the money and leaving the hotels in the country to go broke. Are you aware of that? I wrote to you on 21 June but have not yet received a reply.

Mr GRANT McBRIDE: In regard to the issue of poker machine entitlements, I gave an explanation earlier but I can provide some further information. When the poker machine entitlements were granted they were attached to the licence and owned by the licence holder of existing hotels. They were attached to the licence. The lessee did not own but simply leased the licence. That was the decision and that is the way it was applied across the State. As I pointed out earlier, there could be individual contracts between some lessors and lessees that may in some way change that relationship. If there was a dispute it would go before a court because the Government does not have knowledge of all the individual contracts associated with lessors and lessees. That was in 1998 so we are looking at a period of eight years. There have been a lot of changes in those contractual arrangements between lessees and lessors. Some lessees have moved on et cetera. That particular story on *Stateline* confused a lot of people in regard to any conclusions on this particular issue. A lot of the problem with hotels, for example, is basically consolidation and migration from small country towns to the greater western towns such as Dubbo and Wagga Wagga, which are growing all the time. The population is migrating out of a lot of the small towns.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The hotel in Carrathool was owned by a local farming family as superannuation. The lease was \$150,000 for rent and the lessor owned the freehold but was unable to stop the lessee from selling all the gaming machine entitlements for \$450,000 and then disappearing, leaving the hotel to go broke.

Mr GRANT McBRIDE: You are saying the lessee did that?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes, because he presumably owned licence.

Mr GRANT McBRIDE: No. As I said, he does not.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The point is that the legislation was not clear as to whether the lessee or the hotelier owned the entitlement. The Australian Hotels Association has backed the lessees, because it has more lessees than hoteliers on its staff, presumably.

The legislation was indefinite, and a precedent was set by the court in favour of the lessee. You are sitting on your hands while people get ripped off to hell. Is that not the situation?

CHAIR: Order! Let the Minister answer.

Mr GRANT McBRIDE: No. The situation is that when they issued entitlements, they were attached to the licence, that is, the person who owned the licence owned the entitlements. Often the person who is running the pub, the lessor, is not the licensee. He or she is leasing it in the same way as one might lease a business. The entitlements went to the licence and to the licence holder. The person who was running the pub, for example, did not get those entitlements unless he or she was the owner of the pub and owned the licence to the hotel.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Let us assume that the lessee owned the licence. He could then take the poker machine entitlements and sell them, and in many country towns the pub would go broke without that income.

Mr GRANT McBRIDE: What I am saying is that the entitlements were attached that way. The entitlements went to the owner of the licence.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: At the time those entitlements were created, the poker machine was just another piece of furniture, or another appliance, like a refrigerator. It was not envisaged that this thing would be worth hundreds of thousands of dollars.

The Hon. MELINDA PAVEY: They were free.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The entitlement was free. The poker machine had a value just as a refrigerator has a value, but it had only the value of the piece of machinery. The hoteliers who were not licensees have in fact been ripped off by the change in value of the have machines—

Mr GRANT McBRIDE: No, they have not been ripped off. That was the way the entitlements were granted in the first place. That is the way in which the decision was made. Then you have the individual lessee-lessor contracts, as I explained to you before. If they were covered by the contracts or subsequently covered by new contracts with regard to those entitlements, they were in a situation where they may have enjoyed some financial interest in those entitlements. That is the way it was done. There is no generic contract between lessee and lessor.

Ms LEE RHIANNON: I would like to go back to the desalination plants on the Central Coast. Was that primarily a local government decision or is there a role for government? Is your department involved? If that is the case, what input have you had into plans for desalination plants?

Mr GRANT McBRIDE: The Minister for Water Utilities looks after the issues in regard to water. In regard to desalination plants, I explained earlier that there is a joint water supply. The water supply is run by the two councils and owned by the two councils and they have given consideration to that issue. It is not resolved at this stage whether they will or will not. What they are doing is going through the process such that in the event that we have a situation where we need water and cannot get it, that option is available.

Ms LEE RHIANNON: Do you support a desalination plant for the Central Coast, or a series of them?

Mr GRANT McBRIDE: No, it is not my decision as to whether or not that happens. At the moment the water supply is owned and run by the two local government authorities. It is not like Sydney Water

Ms LEE RHIANNON: But as Minister for the Central Coast, and considering that water is probably the issue on the Central Coast—it has now gone far beyond the Central Coast; we are all hearing about it—what is your involvement? You must have an opinion. Surely you should be giving advice on the most critical issue.

Mr GRANT McBRIDE: At the end of the day, the Minister for Water Utilities is in negotiations with the joint water supply authority, that is, the two councils, as to introducing new Government measures, trying to develop strategies and also implement plans to maintain our water supply in any circumstances into the future. What has happened is that one council, Gosford City Council, does not want to go down that track. The other council, Wyong Council, wants to go down that track, or at least wants to put in place a safety net in regard to water supply and is considering that particular option. So, there are two parts to the joint water supply. We have one part saying no and the other part saying yes. As the State Government we are doing other things, as I pointed out before, in terms of approvals for harvesting more water, for example groundwater and water from other areas.

Ms LEE RHIANNON: Are you doing anything to fast-track the use of water tanks, dual-flush toilets, water-efficient shower heads and so on?

Mr GRANT McBRIDE: In terms of water conservation I understand that on the Central Coast we have attained the best result of any community in the State.

Ms LEE RHIANNON: What do you base that comment on?

Mr GRANT McBRIDE: I base it on reports by the councils, which have both indicated that the response to water conservation and consumption reduction per head vis-a-vis Sydney, the Illawarra and the Hunter has been more significant on the Central Coast. The councils have been commended publicly for achieving that outcome.

Ms LEE RHIANNON: I have a question about the Ettalong beach foreshore plan. Are you aware of plans to develop the beach foreshore? Are you aware of any agreement between the Outrigger resort group and Gosford City Council to upgrade the Ettalong foreshore?

Mr GRANT McBRIDE: I have read about it in the newspaper and know that it is an ongoing issue but I am not aware of the details of that issue. However, my recollection is that the council has made a decision in regard to the matter. Is that correct?

Ms LEE RHIANNON: I am not sure where the process is up to. I am trying to get my head around your responsibilities as Minister for the Central Coast—how hands on you are. In this case a lot of fore-dune vegetation and native vegetation will be sacrificed for the development, which is pretty large.

Mr GRANT McBRIDE: At this time my recollection as to that specific issue is that, as I explained, it is being considered by council. I believe there is opposition to it from council. The plan is currently on display and no final decision has been made with regard to this matter.

Ms LEE RHIANNON: What is your opinion of the proposal, as the Minister for the Central Coast?

Mr GRANT McBRIDE: I have not seen the proposal. Generally, unless an issue is brought up with me by some group or organisation I allow council matters to follow process. To the best of my knowledge, the council does not support the development and the plan is currently on display.

Ms LEE RHIANNON: I understand that there is a proposal by Energy Australia to put high-voltage power lines and a substation through the Erina-Wamberal area. Are you aware of this plan?

Mr GRANT McBRIDE: Yes.

Ms LEE RHIANNON: It is a pretty big development, which cuts through open coastal land. You would obviously be well acquainted with the area.

Mr GRANT McBRIDE: Yes, I live in Wyong.

Ms LEE RHIANNON: Many mature trees will be removed.

Mr GRANT McBRIDE: The high-voltage line and the electrical connections are necessary because the network in the area is currently experiencing shortages and outages because of the growth in demand for power. You would appreciate that many growing areas experience similar problems. Community consultation on the proposal began some time ago. Concern was expressed that the consultation did not cover issues relating to the local school. There was also some general dissatisfaction with the entire project. So I consulted the Minister for Energy, Joe Tripodi, and told him that we had to make sure that the process is fair and open and is accepted by the community. As a result, the consultation process began again including representatives of Wamberal Public School and the parents and citizens association. At the moment they are undertaking a route analysis to work out where the lines should go and at this point there is no definitive plan. To my knowledge, the issue will not be resolved until possibly the end of this year. The project is under consideration at the moment. It is in the consultation phase and no decision has been made in terms of the final route of the line.

Ms LEE RHIANNON: So the route that they had planned has been dropped.

Mr GRANT McBRIDE: No, none was ever planned.

Ms LEE RHIANNON: I thought there was.

Mr GRANT McBRIDE: That is not correct. A number of options were under consideration but before any determination was made in regard to them I was approached by people who were dissatisfied with the process to that point—this may give you some indication of my role when, as I said, I am approached by different groups or organisations. I then took up the matter of the consultation process with the Minister and told him that different people, groups and areas felt that they had been left out. I got those people included and the consultation process began again. The process is still under way and no route has yet been determined. At this point that determination is not anticipated until towards the end of the year.

Ms LEE RHIANNON: I must admit I am worried when you say "the end of the year" because your Government has a bad record of putting projects on display over the Christmas period.

The Hon. EDDIE OBEID: That is your opinion; it is not a question.

Ms LEE RHIANNON: It is most definitely a fact.

Mr GRANT McBRIDE: Representations were made to me about the process. I acted on those representations and the Minister agreed. The consultation group has been expanded and its management has changed. The Wamberal group, which approached me about the project initially, say that they are happy with the changes that have been made to the process. They are still not happy about the fact that the powerlines have to go somewhere but they indicated to me at a recent meeting I had with them that they are satisfied with the process. They see it as an improvement on what had happened. A decision has not yet been made, and no decision had been made when I intervened. The process was under way but people thought the process needed improving.

Ms LEE RHIANNON: As we are still in the discussion phase and no specific route has been decided, have options been put before the community?

Mr GRANT McBRIDE: Yes, there are a number of options. I think there are as many as six options.

Ms LEE RHIANNON: Will you make representations to ensure that the final decision is not made over the Christmas period, as so often happens under this Government?

Mr GRANT McBRIDE: Are you asking me to make representations on your behalf?

Ms LEE RHIANNON: No, I am asking whether you see it as part of your role to ensure that the final decision is not taken over the Christmas period.

Mr GRANT McBRIDE: I will act if I am approached by community groups who are dissatisfied with the decision. But if you are asking me whether the matter will be buried during the Christmas period, I assure you that I will not allow that to happen.

Ms LEE RHIANNON: Thank you.

The Hon. EDDIE OBEID: Minister, can you advise the Committee about the current state of the New South Wales racing industry?

Mr GRANT McBRIDE: It is important to note that the relationship between the Government and the Minister for Gaming and Racing and the racing industry has changed significantly. Not even all codes within the industry recognise that that change has occurred. The Government's plan for racing is to maintain a legislative structure that allows racing to grow and prosper across New South Wales and to serve the public—that is, the race fans—better. Fundamentally, my role as Minister and that of the Government is legislative in regard to the racing industry.

Participants and punters want to maximise their returns from their commitment to racing. They can do this only if the public are attracted to racing and have complete confidence in its integrity. We achieve this by encouraging the viability and future economic development of the racing industry and by ensuring that lawful gambling is conducted with integrity. I should point out that the integrity of all three codes of the racing industry in New South Wales is regarded as being the highest in Australia. In fact, when it is compared with other jurisdictions across the world—America, Japan, Hong Kong, Great Britain and South East Asia—it is recognised that the standards in New South Wales are possibly the highest in the industry.

The Government achieved this by encouraging the viability and future economic development of the racing industry and by ensuring lawful gambling is conducted with integrity. The racing industry is an integral part of our society and ingrained in Australian culture. Whether we are owners, trainers, participants through to the vast numbers of people who always follow the form or flock to the track during one of our wonderful racing carnivals.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Thank you Minister, I am fascinated.

Mr GRANT McBRIDE: That is you, is it not?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes.

Mr GRANT McBRIDE: You are a punter are you not?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: No.

Mr GRANT McBRIDE: Racing is critical to the New South Wales economy and creates employment opportunities for 50,000 people across the State. Racing's contribution to regional New South Wales, in particular, is enormous. Members would be aware, the principal source of funding for the industry comes from the distribution of TAB revenue, that is, race day operations and sponsorship. There is widespread recognition that Australian racing is the best in the world from the running of it to its integrity. That status is achieved through hard work and innovative leadership throughout the industry. I want all those leaders to work co-operatively in the best interests of the industry, as a strong racing industry is in the public interest. I am honoured to have the opportunity to work with the racing industry and to ensure the Government helps the industry maintain its pre-eminent position.

In relation to the management of the racing industry, anyone who understands racing knows people in the industry are passionate, hardworking and fiercely independent. Accordingly, the industry has sought and been granted by successive State governments the right to manage their own strategic commercial direction and business development. The legislation that underpins that arrangement is my responsibility. The financial management of the racing industry is the responsibility of the commercial bodies of racing—that is important in terms of some of the questions asked earlier by the Coalition—although often it is thought that it remains with the Government. Since 1996 Racing NSW has been responsible for the commercial and regulatory control of thoroughbred racing in New South

Wales. The Government introduced this controlling body after accepting the recommendations of the Temby review into racing in 1995. Temby found, inter alia:

... there is a conflict or potential conflict, between the AJC's interests as a race club and its duty to control and manage thoroughbred racing in the best interests of the industry as a whole.

Prior to this the racing industry was entirely managed by what was known as the "Principal Club, that is, the Australian Jockey Club [AJC] since the mid 1800s. The growth of the industry, including the establishment of the Sydney Turf Club [STC], in 1943 overtook those foundation arrangements. The AJCs real or perceived conflict of interest meant it could no longer act as the governing body for the entire industry. Racing NSW has representatives serving as board members from the wider industry and includes an independent chairperson selected for business and leadership qualities. A similar model is now used for the other codes—Harness Racing NSW and Greyhound Racing NSW both established by statute in 2002.

I refer to an issue that has recently been in the media, in relation to the legal challenge taken by *Cessnock Greyhound Club v. Greyhound Racing NSW* [GRNSW]. The Supreme Court found that GRNSW had not provided Cessnock, that is, the club procedural fairness. The orders made by the court on 15 August are that GRNSW reconsider the allocation of race dates for the 2006-07 financial year in accordance with the requirements of procedural fairness for all race clubs with an interest in the Hunter region. The recommendation process began on 18 August. GRNSW must circulate a discussion paper on the matter by today, that is, 1 September. The GRNSW submission must be with the court by 15 September. Cessnock's response to those submissions must be with the court by 4 October with final comment of GRNSW by 11 October. Clearly GRNSW will need to provide adequate opportunity for consultation and give transparent reasons for its reconsidered decision. The reconsideration process remains a matter for the court.

GRNSW along with the harness and thoroughbred commercial boards were all established as independent of Government and therefore are not subject to direction or control by me or on behalf of the Government. These commercial boards were created with bi-partisan support to ensure external political or partisan decisions would not interfere with the commercial running of the industry. This satisfies the aspiration of all three codes of racing that their commercial decisions be free of Government intervention. Put simply each code of racing is responsible for its own industry and is in control of their future. That said, Cessnock has every right to challenge the decision of GRNSW in court. I also understand that GRNSW has appealed proceedings on 6 November.

It is very important to understand that the genesis of this dispute comes from the very difficult decision to cut race dates made by GRNSW, a decision made in response to the unprecedented downturn in wagering turnover and industry revenue coming from the TAB—an alarming downturn attributed to the TVN and SKY Channel race broadcasting dispute. There was a downturn in turnover which resulted in a downturn in income to greyhound racing and GRNSW decided to cut races. Also Harness Racing and Thoroughbred Racing—in regard to country racing—made a similar decision. I am very pleased to report to the Committee that the unprecedented and debilitating commercial dispute between the Tabcorp owned Sky Channel and the Sydney and Victorian Race Club owned TVN Channel was resolved in May this year. That resolution allows me to be very confident about the future of racing in New South Wales.

The ThoroughVision [TVN] and Sky Channel dispute resulted in the split broadcast of races between Sky Channel and TVN. The dispute created enormous confusion for punters in TAB outlets, including in Pub TAB and Club TAB outlets due to the dual screens and increased subscription costs for each venue. There were two systems running parallel: one designed for thoroughbred racing and the other Sky which was basically an information services in terms of racing. Sadly country punters were unable to access vision through the *Austar* network. The dispute has had a serious negative impact on the level of totalisator wagering and, in turn, on revenue levels for all three codes of racing.

Wagering turnover prior to the commencement of the TVN/Sky Channel dispute in May 2005 was experiencing growth of 2.9 per cent on the previous year. Since that time TAB totalisator turnover has been in decline with turnover down 3 per cent on the previous year. We are getting a reasonable and steady increase and as a result of the dispute we got a decrease which amounts to a turnaround of something like 6 per cent on the previous year. As a result the thoroughbred harness and

greyhound industries have been forced to significantly reduce both prize money and the number of race meetings. Tragically the harness and greyhound industries have particularly suffered through no fault of their own, the dispute being the thoroughbred racing industry turnover and TAB.

Last year, despite not having the statutory power to intervene, I offered both sides and independent mediator. Both sides consistently argued their preference to resolve the issue themselves. I again make the point that the Government and the Minister have no authority of that commercial matters relating to any of the codes. In March this year I met again with both sides, calling for an urgent end to the deadlock. I asked Tabcorp to consider allowing country punters access to TVN vision through the Austar pay television network. That this twelve-month dispute had not been resolved was becoming a major financial burden for the three codes.

In April, as an act of good faith, Tabcorp discharged the injunction that had previously presented TVN from being broadcast on the Austar network in country New South Wales. I welcomed this move in a media statement on 27 April 2006. In May, following weeks of detailed negotiations, TVN and Tabcorp announced that the long-running war had been resolved. The resolution was seen as an end to the split picture and an end to the confusion at TAB agencies, pubs and clubs. The TAB agency, pub or club had two television screens, and the licensee or person managing the venue had to decide which one its customers could watch and listen to. This was unattractive to punters, and it translated to those venues and elsewhere suffering a reduction in turnover and hence a drop in income to the industry.

Resolution of the dispute means we have better services for race fans, and we will see Tabcorp and the racing industry working together to rebuild the industry. This is very important because Tabcorp had not been regarded as being part of the industry. The change in personnel and culture at Tabcorp has resulted in a more co-operative partnership arrangement between that organisation and all three codes of the racing industry. The end of the war was great news for the New South Wales racing industry and even better news for punters, participants and the more than 50,000 people employed throughout the thoroughbred, harness and greyhound industries in this State. I am encouraged by recent media reports that since the split screen dispute was resolved wagering turnover in New South Wales has enjoyed a 2 per cent growth. So we are climbing back to the position anticipated had the dispute not occurred. The resolution of the issue is welcomed by everyone in the racing industry. It is a very important breakthrough not only in the sense of the long-term future of the industry but in the fact that Tabcorp, after its change in culture and personnel, now regards itself as a partner with the industry.

I would also like to speak about the Tabcorp integration. This integration will only improve as the integration of the New South Wales and Victorian TABs takes effect. I am delighted that the Totalizator Legislation Amendment (Inter-jurisdictional Processing of Bets) Act 2006, enacted in the previous parliamentary session, will create a common wagering operating platform for both the New South Wales and Victorian TABs. This delivers New South Wales a state-of-the-art wagering software system. The betting changes will better serve the public, and that is good for the racing industry and good for New South Wales. Integration means we can now have transactions on either side of the border. That is, it is now legal for transactions to be made across our border. This means significant savings for the industry and more jobs in New South Wales because we have the major processing centre located in this State.

The TVN/Sky Channel dispute led to considerable disharmony in the thoroughbred and other codes because they took sides in the dispute for or against Racing NSW. This caused considerable angst amongst the different partners. This highlighted the need to facilitate the movement to deal with the issue so that racing generally could get back on track. I believe the resolution of the TVN/Sky Channel dispute provides an excellent opportunity for the thoroughbred industry to come together, build new partnerships and move the industry as a whole forward. Again I emphasise that neither the Government nor the Minister has control over these commercial matters and individual contracts. Therefore my role can only be that of a facilitator trying to achieve an outcome. At the end of the day, the dispute could only be decided by those who had ownership of it, that is, the racing industry, TVN/Sky Channel and Tabcorp.

It has been five years since the last review of the Act. I also note that accordingly a review of the equivalent legislation for both the harness and greyhound industries is appropriate and due in

2007. I have listened to many different racing people across the industry telling me that the industry must first stand united if it is to rise to the challenges from other leisure activities and entertainment options. There was considerable difficulty trying to resolve a long-running dispute involving a lot of bad blood. I was fortunate to obtain the services of Mr Ken Brown to conduct a review of the Thoroughbred Racing Act 1996. Ken is well respected as an independent and experienced racing administrator. He has consulted with the broad spectrum of racing bodies and individuals who have made submissions to the review. His task now is to review the Act, consider the submissions, and report back on what he believes is the best legislative framework for the future of the industry.

Right from the start I pointed out that the responsibility of the Minister and the Government is in relation to the legislative framework, and that is what we will be doing. This will be a legislative framework for the future of the industry. I am pleased with the excellent response that the review has received, and I look forward to Ken Brown's report. I say again, I am honoured to have the opportunity to work with the racing industry and ensure that the Government helps the industry maintain its pre-eminent position.

There is another issue that remains unresolved. It is the question of merging of totalisator pools, an issue hotly debated in the racing pages of our newspapers. During 2005 Tabcorp sought the New South Wales Government's approval to allow the merging of the New South Wales totalisator pools with Tabcorp and SuperTAB pools, which include TAB betting pools from Victoria, Western Australia, Tasmania and the Australian Capital Territory. The Government saw the merging of pools as being potentially a great opportunity for racing.

The Government agreed to use the new money generated to enhance racing. These funds were to be channelled directly into prize money, and not to be used by race clubs or commercial bodies. The funds were to be split between the three codes as per the existing inter-code agreement. The Government included a condition that races with existing prize money of more than \$100,000 would not be eligible for the Government top-up of prize money. Late last year Tabcorp chose to withdraw from the talks when the Government sought an assurance that New South Wales taxpayers would be no worse off under the merged pools proposal.

I have always maintained an open door on merged pools, and it may be revived if Tabcorp comes back to the Government with a detailed proposal. Tabcorp's Robert Nason is quoted in media reports today confirming that talks with government are progressing well. The Government has said repeatedly that it is up to Tabcorp to guarantee that wagering revenues will not fall if the New South Wales and Victorian pools are merged. Tabcorp must come up with a proposal that is good for New South Wales and the racing industry. The Government will support merged pools if Tabcorp will guarantee both the integrity and New South Wales tote revenue will be maintained. This has been a big issue in the industry.

The Hon. MICHAEL GALLACHER: How many staff do you have working in your Central Coast office?

The Hon. MELINDA PAVEY: Two, okay?

The Hon. MICHAEL GALLACHER: Is it that hard?

Mr GRANT McBRIDE: No.

CHAIR: Order! Let the Minister answer and you will get more questions without interjections.

The Hon. MICHAEL GALLACHER: It has been a long day. I am sorry.

Mr GRANT McBRIDE: I understand that there are two full-time staff and a department liaison officer.

The Hon. MICHAEL GALLACHER: How many staff do you have here today from your Central Coast Ministry?

Mr GRANT McBRIDE: One.

The Hon. MICHAEL GALLACHER: Do you still have four offices?

Mr GRANT McBRIDE: I am sorry?

The Hon. MICHAEL GALLACHER: How many offices do you have in that building? Are you still in the Kensman Building in Gosford?

Mr GRANT McBRIDE: Yes.

The Hon. MICHAEL GALLACHER: How many offices are there within your allocated area?

Mr GRANT McBRIDE: Specific offices, you mean as in closed office, or—?

The Hon. MICHAEL GALLACHER: Yes, closed offices.

Mr GRANT McBRIDE: I think there are two.

The Hon. MICHAEL GALLACHER: Moving on to water, what written representations have you made to Ministers about the Central Coast water crisis?

Mr GRANT McBRIDE: About water?

The Hon. MICHAEL GALLACHER: About the crisis on the Central Coast?

Mr GRANT McBRIDE: I have had ongoing dialogue.

The Hon. MICHAEL GALLACHER: No, not dialogue, written representations.

Mr GRANT McBRIDE: Written representations?

The Hon. MICHAEL GALLACHER: Yes.

Mr GRANT McBRIDE: We will take that one on notice.

The Hon. MICHAEL GALLACHER: Are you happy to table those to the Committee?

Mr GRANT McBRIDE: I said we would take it on notice.

The Hon. MICHAEL GALLACHER: I know you are happy to take it on notice, but when you find those written representations are you happy to table those to the Committee?

Mr GRANT McBRIDE: If you are requesting them.

The Hon. MICHAEL GALLACHER: Yes.

Mr GRANT McBRIDE: Yes.

The Hon. MICHAEL GALLACHER: I did not hear your answer.

Mr GRANT McBRIDE: Sorry? We are taking your question on notice.

The Hon. MICHAEL GALLACHER: I understand that, but do you give an undertaking to the Committee that, should you find any written representations in relation to the Central Coast water crisis from you, you will table them with the Committee?

The Hon. EDDIE OBEID: It could be personal. You cannot say that.

Mr GRANT McBRIDE: It has just been pointed out that—

The Hon. MICHAEL GALLACHER: They are not Cabinet—

CHAIR: Order! Let the Minister answer.

Mr GRANT McBRIDE: That is my advice.

The Hon. MELINDA PAVEY: What is, that they are covered by Cabinet?

Mr GRANT McBRIDE: No, it is saying that some may be.

The Hon. MELINDA PAVEY: If they are not?

The Hon. MICHAEL GALLACHER: But the ones that are not covered, will you table them?

Mr GRANT McBRIDE: Yes.

The Hon. MICHAEL GALLACHER: How many ministerial meetings have you held in relation to Central Coast water?

Mr GRANT McBRIDE: How would you define a ministerial meeting?

The Hon. MICHAEL GALLACHER: A meeting designed and convened purely to discuss the water crisis on the Central Coast.

Mr GRANT McBRIDE: On a regular basis. In terms of Central Coast water, I have had constant meetings with local government. I have regular meetings with the mayors of both councils, and we regularly discuss the water supply.

The Hon. MICHAEL GALLACHER: You discuss it, but how many have you convened at a ministerial level to discuss Central Coast water?

Mr GRANT McBRIDE: I will have to take that on notice. What I would say to you is that—

The Hon. MICHAEL GALLACHER: That is fine. If you are taking it on notice you cannot come back for a second bite at it, unfortunately.

Mr GRANT McBRIDE: Sorry?

The Hon. MICHAEL GALLACHER: If you are taking it on notice you cannot then go back and qualify your answer.

CHAIR: No, that is not correct. That is your assumption. If the Minister wants to give some background and take a detailed question on notice that is acceptable.

Mr GRANT McBRIDE: In response to that, we will take that on notice. What I am saying to you—

The Hon. MICHAEL GALLACHER: Minister—

CHAIR: Order! The Minister has not finished his answer.

Mr GRANT McBRIDE: What I am saying to you is that I have had regular meetings only this week, but all the details I cannot tell you. But there have been constant meetings with both councils in regard to this matter.

The Hon. MICHAEL GALLACHER: How many of these meetings have not involved a representative of the media or another Cabinet Minister?

Mr GRANT McBRIDE: Media?

The Hon. MICHAEL GALLACHER: A media representative.

Mr GRANT McBRIDE: A media representative?

The Hon. MICHAEL GALLACHER: In other words—

Mr GRANT McBRIDE: But why would there be a media representative?

The Hon. MICHAEL GALLACHER: —how many meetings have you had that are not media opportunities?

The Hon. EDDIE OBEID: That is a silly question.

Mr GRANT McBRIDE: Endless meetings.

The Hon. MICHAEL GALLACHER: Endless?

Mr GRANT McBRIDE: I have had constant meetings with both councils. I have had briefings with the councils. I have had them come in and give me a detailed analysis. I have met with the managers of both councils. I have met with the mayors of both councils. As I said, more recently we had a meeting this week about the issue.

The Hon. MICHAEL GALLACHER: How much money in the previous financial year did your Government expend on Central Coast water, just on the water issue?

Mr GRANT McBRIDE: We would have to seek that information from the Minister for Water Utilities. We do not have access to that information ourselves.

The Hon. MICHAEL GALLACHER: But if you are having all these meetings that you just told me are endless, surely you are in a position to give us an indication as to how much money you know your Government has put into the water crisis?

Mr GRANT McBRIDE: I am saying to you that we have had many meetings about this. You asked whether media were at those meetings. No, media have not been at those meetings. In terms of the Government's response, we are working constructively with both councils. Yesterday we met with the two councils about governance, and talked about the water authority. I have been constantly updated by councils about the situation, and I have passed on those concerns to both the Minister and the Premier.

The Hon. MICHAEL GALLACHER: I will come back to the same point. How much money did your Government spend in the last 12 months in relation to Central Coast water?

Mr GRANT McBRIDE: As I said to you earlier, we would have to go to the Minister for Water Utilities to get that information. I do not have that information.

The Hon. MICHAEL GALLACHER: If you do not have that information, what in heaven's name do you talk about at these meetings, a rain dance that will make the rain pour down? What are you explaining to them? They want to know what your Government is putting forward and what it has put forward.

Mr GRANT McBRIDE: In my opening statement I talked specifically about money allocated to the actual water pipeline, I think it was \$7 million.

The Hon. MICHAEL GALLACHER: Is that State Government money?

Mr GRANT McBRIDE: That comes from the Hunter Water Authority, which is a State-owned corporation.

The Hon. MICHAEL GALLACHER: Does that come from dividends?

Mr GRANT McBRIDE: And also money has been spent on the Williams River water treatment service.

The Hon. MICHAEL GALLACHER: How much is that?

Mr GRANT McBRIDE: I think it was \$2.5 million.

The Hon. MICHAEL GALLACHER: The Williams River?

Mr GRANT McBRIDE: In the Hunter.

The Hon. MICHAEL GALLACHER: I am talking about on the Central Coast.

Mr GRANT McBRIDE: You have to understand what the strategy is. We are building a water banking system that links the two services. What is now the joint water supply on the Central Coast will be linked as part of a network that involves the Hunter as well. In terms of moving water from the Hunter to the Central Coast we have incurred a cost for the pipeline. In terms of generating new water for the Central Coast and the Hunter area we are financing the construction of a water treatment plant so that we can increase the amount of water that can be extracted from the Hunter and transferred to the Central Coast.

The Hon. MICHAEL GALLACHER: I take it, therefore, that is your vision for water for the Central Coast?

Mr GRANT McBRIDE: What is that?

The Hon. MICHAEL GALLACHER: Bringing the two together.

Mr GRANT McBRIDE: At this point of time, yes. This is not my vision, this is a plan that has actively been worked on by the two councils—

The Hon. MICHAEL GALLACHER: Minister—

Mr GRANT McBRIDE: No, it is not my vision.

CHAIR: Let the Minister finished his answer.

Mr GRANT McBRIDE: To drought proof the Central Coast for the future it is recognised that we have to put in place strategies that will guarantee sustainability into the future. It is generally accepted at this point of time that what we are working to is a water banking system, and that is how it is described by Gosford and Wyong councils, so that in good times they can move their water down from the Hunter and store it in our Mangrove Dam, which has a very large capacity and vice versa. If they have a need for water we can shift the water back into the system. This is how the water system runs in Sydney, and that is how the water system runs in large communities any way. That is the structure. Overlaying that, in yesterday's meeting we were discussing the new governance structure for the local water authority so that it can participate in that process.

The Hon. MICHAEL GALLACHER: Minister, are rainwater tanks part of your vision for Central Coast residents?

Mr GRANT McBRIDE: Rainwater tanks are local government and water authority policy. It is also the case though that both have been encouraging people to put in place or put water tanks on their properties to deal with water that is non-potable water.

The Hon. MICHAEL GALLACHER: As the Minister for the Central Coast, do you encourage residents to take on the water tanks?

Mr GRANT McBRIDE: In my opening statement we talked about—

The Hon. MICHAEL GALLACHER: While you are there, Minister, you might be able to find out whether you have rebates.

Mr GRANT McBRIDE: That is right. In relation to the extension of the water savings to the Central Coast, the water savings plan was part of the Greater Sydney Basin, and this is a recent announcement whereby we have now extended the water savings program to the Central Coast. That means that for issues related to water, smaller projects may be implemented, and they can access those.

The Hon. MICHAEL GALLACHER: When did you install your rainwater tank?

Mr GRANT McBRIDE: I live on a river, Michael.

The Hon. MICHAEL GALLACHER: Yes. So you do not have a rainwater tank, I take it?

Mr GRANT McBRIDE: I do not have a rainwater tank, no. I do not have a rainwater tank, but what I do—

The Hon. EDDIE OBEID: Have you got one?

The Hon. MICHAEL GALLACHER: Yes, I have three.

Mr GRANT McBRIDE: He lives on a farm. That is why he has a rainwater tank.

The Hon. MICHAEL GALLACHER: But the Government is telling all residents to get a rainwater tank.

The Hon. EDDIE OBEID: Why do we have to have rainwater tanks? What is rain?

The Hon. MICHAEL GALLACHER: Minister, I turn now to the issue raised by Ms Lee Rhiannon relating to power lines.

Mr GRANT McBRIDE: Yes.

The Hon. MICHAEL GALLACHER: You were in the process of just answering a question and then you unfortunately found that time had expired. I just want to go back to it. It was a question of Ms Lee Rhiannon, or not so much a question but it was an answer that you gave to a question from Ms Lee Rhiannon. You said, "If I am approached by the group", and you were talking about WAG—

Mr GRANT McBRIDE: Yes.

The Hon. MICHAEL GALLACHER: You said, "If I am approached by the group and they are not satisfied with the decision"—this was in relation to the six options. Could you please continue with that sentence, Minister?

Mr GRANT McBRIDE: I do not—

The Hon. MICHAEL GALLACHER: You were asked a question about the six options.

Mr GRANT McBRIDE: The six options?

The Hon. MICHAEL GALLACHER: And you said, "If I am approached by the group and they are not satisfied with the decision" and then you stopped.

Mr GRANT McBRIDE: I said earlier that there was no decision that had yet been made. I said that there were six options, but we are in a new process, right? Whether there is going to be six options or whatever is not decided yet.

The Hon. MICHAEL GALLACHER: But, Minister, in answer to a question you did say, "If I am approached by the group and they are not satisfied with the decision." Minister, could you please tell us: What options do the residents have if they are not satisfied with the decision that your Government is going to take? What options are available to them?

Mr GRANT McBRIDE: No. Lee Rhiannon said to me were we going to bury this decision or something or other in terms of the Christmas break, and I gave you an undertaking that, no, we would not do that.

The Hon. MICHAEL GALLACHER: No. I am talking about the six options. Minister, I will continue. "Do you believe community concerns that these 132,000 volt powerlines pose a danger to householders and to children?"

Mr GRANT McBRIDE: All I did do was, because of these issues that were raised, I actually approached the Minister about starting the process again because of the concerns which you have just enunciated and which were enunciated to me by other groups. So, I started the process again. I recommended to the Minister, Joe Tripodi, that we actually start the process again, and we have started the process again. Now, I do not put myself in a position that I make a technical judgment. I leave the technical judgment to others. What I am saying to you is that the processes restarted because of concerns articulated to me by the community as individuals and also in terms of the actual group itself, the Wamberal Action Group [WAG].

The Hon. MICHAEL GALLACHER: Minister, how many community meetings have you attended in relation to these power line proposals? When you went, did you speak in favour of the current proposals, or against the current proposals?

Mr GRANT McBRIDE: My role in this particular process was that there is a process in place. In that process there was—and we have done this before. We have done this before, for example, going through Wyoming. The same sort of process has been in place when they were looking at upgrading the power line service. In that particular case, we did the same thing. What we did was, we went through this process. Actually, a route at the end of the day in that particular one was by agreement with the actual community as well. So at this point of time, that has not been resolved. That has not been resolved. The route has not been resolved and there has not been a recommendation as to what will be the outcome at this point of time.

I am not pre-empting it. That is what I am saying to you. I am not pre-empting it in terms of what the outcome will be. I do not know what the outcome will be. I can say there is a precedent for a resolution of this type of situation previously on the Central Coast.

The Hon. MICHAEL GALLACHER: Can you tell me which community meetings you attended?

Mr GRANT McBRIDE: I have not attended a committee meeting.

The Hon. MICHAEL GALLACHER: That is "have not"?

Mr GRANT McBRIDE: No. I have not. But I have had a representative attend every community meeting.

The Hon. MICHAEL GALLACHER: What? Someone stood in as your representative?

Mr GRANT McBRIDE: No.

The Hon. MICHAEL GALLACHER: Or did they stand at the back and take notes?

Mr GRANT McBRIDE: No. My role is to actually listen to the concerns of the community.

The Hon. MICHAEL GALLACHER: But your role is to lead.

Mr GRANT McBRIDE: No. My function in this particular role is to actually listen to the concerns of the community, and I did listen to the community, and I acted on those community concerns.

The Hon. MICHAEL GALLACHER: You never went to the meetings.

Mr GRANT McBRIDE: I listened. My colleagues were there. My colleague went there. The issues they raised, I responded positively to. As I said to you earlier about when the group came to me subsequent to the establishment of the new process, they indicated that they were not—they actually found the new process satisfactory whereas the previous process they felt was unsatisfactory. In my office they indicated to me that they found the process satisfactory.

The Hon. MICHAEL GALLACHER: When the representative that you sent along to the meetings went to these community meetings, did the representative indicate to the public gathering that they were your representative?

Mr GRANT McBRIDE: Yes.

The Hon. MICHAEL GALLACHER: Did they? And did they field questions and answers from the floor as your representative?

Mr GRANT McBRIDE: No.

The Hon. MICHAEL GALLACHER: No.

Mr GRANT McBRIDE: They were not part of the meeting in that sense. They were there to listen. For example, I have just gone through the State Plan process. Our role is to listen to what the community wants. That is what you do when you are a local representative. You listen to the community, and you respond to that community. In regard to the issue that was the primary issue for the community, and that was that they were dissatisfied with the process, I made representations to the Minister responsible, and we changed that process. The Wamberal Action Group indicated they were satisfied with the new process.

The Hon. MICHAEL GALLACHER: Each train journey to and from the Central Coast takes 15 minutes longer than it did two years ago. For example, commuters to Gosford are now losing 2½ hours a week of their personal time. What action have you personally taken to have their train journey times reduced?

Mr GRANT McBRIDE: Reduced?

The Hon. MICHAEL GALLACHER: Yes.

Mr GRANT McBRIDE: The train timetable was developed by the Minister for Transport. As we all know—

The Hon. MELINDA PAVEY: A bit of a disaster, is it not?

CHAIR: Order! Let the Minister answer.

Mr GRANT McBRIDE: As we all know, it was designed to improve reliability. As someone who for a number of years—off the top of my head it would be at least about five years—travelled on a train service—

The Hon. MELINDA PAVEY: Before you got a white car?

CHAIR: Order! Do not be silly. Please finish your answer, Minister.

Mr GRANT McBRIDE: Well before that. I travelled on the rail service. I can tell you, as someone who did travel on that rail service for a long time and whose children travelled on the rail service for a long time, that the biggest issue for commuters on the Central Coast, or the primary issue is, without doubt, reliability. So the strategy of the Government in regard to timetable is to provide reliability, and my understanding is that reliability has significantly improved.

As well as that we are providing new Oscars, as they call them—the outer suburban cars—that are under construction. We are also looking at the Gosford railway station where we will increase stabling opportunities for trains. That will improve the situation in regard to timetables on the Central Coast. We will be able to store or stable more trains at Gosford. So in regard to those particular issues, in regard to rail transport, there has been an improvement.

The Hon. MICHAEL GALLACHER: Minister, in 1999, you appeared in a full page advertisement on the Central Coast, published on the Central Coast and paid for by the Australian Labor Party, promising a \$800 million fast train from the Central Coast to Sydney. What action have you taken to fulfil this promise?

Mr GRANT McBRIDE: That is a decision of Government and they have not made a decision to actually proceed with that project.

The Hon. MICHAEL GALLACHER: So, in other words, you have misled the community, or failed the community. The train journeys are now longer. You have a \$800 million upgrade to increase this lead, and we have our trains now running to longer times: Misled, or failed?

Mr GRANT McBRIDE: I am saying that besides what we are spending on railway stations and car parks and—

The Hon. MICHAEL GALLACHER: Oh, that makes people feel so much safer.

The Hon. AMANDA FAZIO: Order! The member will allow the Minister to complete his answer.

Mr GRANT McBRIDE: In a survey that was conducted—

The Hon. MICHAEL GALLACHER: Sitting on a train for 2½ hours—

Mr GRANT McBRIDE: Michael, I have travelled on the train. I am saying that a high priority for the people on the train—

[Interruption]

The Hon. AMANDA FAZIO: Order! Minister, please cease your answer. I have warned the Hon. Michael Gallacher repeatedly about interjecting. It is impossible for Hansard to hear the Minister if members talk over him. Minister, have you finished that answer?

Mr GRANT McBRIDE: In terms of on-time running, which as I said is a very important issue for someone who has travelled on the rail system for quite a period of time, and in fairness to my children, in 8 out of the past 10 months trains have on-time performance of over 90 per cent.

The Hon. EDDIE OBEID: How about security?

Mr GRANT McBRIDE: That on-time running was a goal of the new timetable; and 8 out of 10 trains are on-time. There were two months of outstanding achievement of on-time performance of 87.8 per cent and 89 per cent respectively, which are good results. The major objective of the new timetable was achieved. The Hon. M. Gallacher would be aware that following the rail incident on the South Coast major changes had been made to the way that we run the trains on our system. That has been explained. However, the major objective was on-time running and we have achieved that goal. The Hon Michael Gallacher may make light of the fact, but there is funding in the current budget for improved commuter facilities for both Tuggerah station and Woy Woy station. Again, as someone

who travels on the trains, I realise that one of the most important issues for rail commuters is a satisfactory commuter car park close to the railway station.

The Hon. AMANDA FAZIO: We will now go to 10 minutes of questions from the Hon. Dr Arthur Chesterfield-Evans.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, are you aware that the turnover of New South Wales licensed bookmakers is down 10 per cent in the last 12 months? And it is still falling dramatically. Why can the New South Wales TAB use the Internet but no other bookmaker in New South Wales?

Mr GRANT McBRIDE: Mr Farrell will answer that.

Mr FARRELL: Bookmakers, including the TAB, can use the Internet but not until 30 minutes before the first race of the day. That was introduced to try to encourage people to attend a racecourse and to give people an advantage of securing better odds from the bookmaker at the racetrack.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Interstate bookmakers do not have that restriction. Is that correct?

Mr FARRELL: The Northern Territory corporate bookmakers do not have that restriction, that is correct.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Has that cost the New South Wales racing industry money, and if so how much?

Mr FARRELL: I do not have a figure on that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Would \$1 billion be a fair guess? As that is my understanding.

Mr FARRELL: No. I will endeavour to get some figures for you on the turnover that the Northern Territory's bookmakers have reported.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Has \$1 billion in gaming revenue left New South Wales and the past 12 months, would you say?

Mr FARRELL: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why has there been no prosecutions of people for inclusion into gaming in New South Wales via the Internet?

Mr FARRELL: Pardon?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why have there not been any prosecutions for people coming into New South Wales via the Internet? Is it not prohibited for people to do that?

Mr GRANT McBRIDE: I will take that on notice and get back to you.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is Betfair likely to impinge on gaming in New South Wales?

Mr FARRELL: Betfair has been licensed by the Tasmanian Government. The success or otherwise is uncertain. I understand they currently have about 4,000 clients, which in the scheme of things is not all that significant at this stage.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, do you believe that Betfair will impact on New South Wales gaming revenue?

Mr GRANT McBRIDE: The issue of Betfair has been the issue of integrity. That has been the real concern. You would be aware that in Great Britain a major inquiry is going on at the moment. There has been a very genuine concern about integrity. South Australia and Western Australia have indicated that they have concerns also. The reason that betting exchanges got the green light was because Tasmania made that decision, they allowed them to have that licence. Subsequently Victoria allowed them to operate there. But with Tabcorp, with all the three codes, they were all heavily dependent on the revenue from totalisator betting through Tab Ltd. The racing industry receives approximately \$5 out of every \$100 in turnover.

The Government is working with all codes in New South Wales and other States. All have expressed concern about the growth of the betting exchange activity. And we are concerned. Why? Because they do not give New South Wales and other jurisdictions any arrangement for return to the industry. All betting exchange people are prepared to wager against each other in various outcomes. Therefore, controversially, it allows a punter to back a course to lose a race. That is the fundamental issue of integrity, and that is one that has been recognised by all the other jurisdictions in New South Wales. However, Tasmania allowed for the first licence, and also the Victorian operation allows it at the moment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: At least it had lower overheads, which it has to if it is not subsidised in the racing industry. Surely in an open market it will take over. Victoria has introduced legislation. Are you contemplating such legislation?

Mr GRANT McBRIDE: We have reviewed the Victorian legislation and we are considering introducing such legislation in New South Wales in regard to that. I point out also that South Australia and Western Australia have concerns about betting exchanges and the operation of betting exchanges.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, you said that the independent review of thoroughbred racing is being carried out by Ken Brown. Surely, someone who had been head of the department for 20 years and who wanted to review the legislation could have by now. Is this not just a recipe for business as usual?

Mr GRANT McBRIDE: No, not all. As I explained before, the issue was a battle between SKY and TVN. That translated to a negative impact on relationships through the whole of the industry. It is recognised by the industry and they all welcomed this review because it is an opportunity to re-establish priorities and also policies in regard to the industry following this dispute. It divided the industry. There is a real need to bring the industry back together again. When this was announced to the industry—and all the participants of the industry were present when we made that announcement—they were universally much relieved that this was going to happen. This is a way of resolving those differences.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I have asked this question many times over many years. Will the department release the statistics on gambling based on local government areas for the purposes of bona fide research so that responsible gaming can target its activities?

Mr FOGGO: In 2001 the former Department of Gaming and Racing started to sell a routine set of gaming machine data for each quarter on a cost recovery basis. The fees were between \$1,100 and \$4,400 for that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: For what? For the whole package of the entire data for the State?

Mr FOGGO: Yes. In view of the concerns about the cost of the data, in mid-2004 a review was undertaken of the actual cost of preparing the data compared with a total number of sales made over the preceding period in order to obtain a more accurate charge for each of those items. As a result of that review in 2004 the fees were modified to make gaming machine data more affordable. As many persons wanted quarterly data, a new charge of \$440 was introduced for the quarter gaming analysis for the year with a \$220 charge applied for quarterly analysis for previous years. If you

wanted the up-to-date information you paid more for it. Information that was readily there was discounted, which was reasonable.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: For \$440 one could have all the State's data by local government area for one quarter, is that right?

Mr FOGGO: We have a significant range of data held on various systems and, basically, you can apply under freedom of information [FOI] legislation to obtain whatever data we can possibly give. However, there is a cost associated with doing that, and that cost depends on what types of information you want associated with what other information. It may be that we might have to access to all three different systems to obtain the full range of data that individuals want. Certainly we have data available on local government areas throughout New South Wales.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is it cheaper than it was? Has it improved the role of independent research on gambling problems?

Mr FOGGO: I cannot recall seeing an application by a researcher for data seeking to have that data provided free of charge. In terms of FOI legislation, we often get applications from particular groups who might argue that they would like a discount in relation to the fee that we charge.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you look on those favourably and help those groups?

Mr FOGGO: It depends on the circumstances of each case, but certainly we have discounted rates in the past.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What has been the Government's response to the report of the Independent Pricing and Regulatory Tribunal? Has there been a formal response? If so, what is it? If there has been a formal response what has been done to implement it? Could we have the document tabled it is lengthy?

Mr GRANT McBRIDE: In terms of the implementation—which is the question you asked, right?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is it a formal written response. Is it all on the public record, the response?

Mr GRANT McBRIDE: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Could you just table that and then tell us how you will implement it?

Mr GRANT McBRIDE: Going through the history, we commissioned the Independent Pricing and Regulatory Tribunal [IPART] in July 2003 to conduct the comprehensive review of key gambling harm minimisation measures in New South Wales. IPART released its report, entitled "Gambling: Promoting a Culture of Responsibility" in July 2004. A consequential report on responsible gambling governance structures was finalised in February 2005. Overall, IPART found that the effectiveness of gambling harm minimisation efforts in this State would be improved by developing a detailed plan for an integrated responsible gambling policy network story. Most of IPART's recommendations focused on three main areas, that is, encouraging informed choice, discouraging risky behaviour and improving the effectiveness of gambling counselling and treatment services.

19 May 2005 I announced that the Government would be adopting the substantial majority of the 113 recommendations. These are now being implemented. Work is well advanced on the recommended research into the prevalence of the gambling problem—a study is being undertaken at the moment—better signage in gambling venues—we have that going at the moment—and a consultation process has been undertaken on how current self-exclusion arrangements might be improved, and some gaming machine design changes. The Government accepted all of the recommendations involving legislative changes, and they have been made. These include changes to

the SIA process, penalties for failure to provide patrons with access to be self-exclusion scheme and problem gambling, amendments to allow trialling of regulatory measures and the renaming of the Casino Community Benefit Fund to the Responsible Gambling Fund to better reflect its purpose.

Other initiatives, for example, included upgrading the effectiveness of gambling counselling services and developing responsible gambling policy framework, which will take further time and are progressing. The IPART process has been a very important contribution to this very difficult and complex area of government and I expect IPART's and the Government's response will be the catalyst for greater focus on policies and programmes that are balanced and informed by evidence, and achieve the desired outcome. One of the major recommendations about how to respond to the issue of problem gambling in our community was to actually change the culture in terms of the organisations, and also to change the culture in terms of the community. That is something that we have done. We have introduced responsible gambling courses that have been initiated by the club industry and the hotel industry. Both industries are now providing counselling services for their own organisations, in addition to what has been supplied by the Stake of government. There has been a comprehensive response to that. The whole issue is about changing the culture of how these issues are managed in society and we attempt to do that.

Ms LEE RHIANNON: Minister, just returning to Energy Australia's plan for the Erina-Wamberal area, you spoke of six options. Is one of those options not having the overhead lines? Is another possible option having a reduced overhead line with developing energy efficiency measures and other sustainable energy alternatives? Are they some of the alternatives?

Mr GRANT McBRIDE: With regard to the local situation, it is about making the network reliable because of increased power demands in that area. This is happening across the whole of the Central Coast. So far as the options that were originally considered are concerned, yes, the only options were above-ground options.

Ms LEE RHIANNON: You spoke about making the network look more reliable, do you recognise that you can make the network more reliable by using energy efficiency measures that are well tested? Clearly, when a population grows you need more electricity but you can also have a reduction in energy use per household by adopting those methods. Would Energy Australia be willing to have that as one of its options? Would you make that suggestion?

Mr GRANT McBRIDE: With regard to the issue of the Central Coast, we are upgrading the existing network over a five-year period in response to the growth on the Central Coast that has occurred in the last 30 years, and providing reliability to the system—that is, to have adequate sources and, in the event that there is interruption to the service or for some reason it breaks down in one area, that you how they network across the whole of the Central Coast that will be able to provide electricity through an alternative route to those areas where there is an outage. We are investing some \$319 million, almost \$320 million, over the next five years to put in place a reliable system that is needed for the community.

This investment is paving the way for energy upgrades across the whole of the Central Coast. To cope with increased use of things like airconditioners and heaters, as well as increased demand. This particular line connects to a new substation at Wamberal. The service has been coming around the other way, through the back of Terrigal. What we are doing is completing the loop. With regard to this item in the network, it is about closing the loop such that we have greater reliability. It will basically bolster the electricity supply to the 10,000 homes in the suburbs of Erina, Holgate, Matcham, North Avoca, Terrigal and Wamberal.

We are trying to close that loop. I think the other issues that you raised are matters for broader debate and should be taken up with the Minister for Energy. But we are closing a loop in the system. If we do not do that we will not have reliability in the system and it will become a major problem for consumers in that area. The issues that you raised about conserving energy in a range of ways would be best addressed to the Minister for Energy.

Ms LEE RHIANNON: You referred to the water crisis on the Central Coast.

Mr GRANT McBRIDE: Yes.

Ms LEE RHIANNON: Do you acknowledge that the proposal to undertake long wall coalmining in the Wyong Valley would pose an enormous danger to the viability of future water supplies for much of the Central Coast?

Mr GRANT McBRIDE: As to issues related to water and the water catchment, I have taken the position, and I gave a commitment, that I will not accept any proposal that will have negative effects on the Central Coast—be it our environment, our water catchment or our people.

Ms LEE RHIANNON: Did you say that you will not accept it?

Mr GRANT McBRIDE: I give a commitment that I, personally, will not accept any proposal that will have negative effects on the Central Coast in terms of our environment or our water catchment. Those matters must be resolved before any consideration can be given to long wall coalmining.

Ms LEE RHIANNON: Do you mean that you will personally oppose the long wall coalmining proposal?

Mr GRANT McBRIDE: I am acknowledging the issue that you raised in terms of water—

Ms LEE RHIANNON: I am sorry, Minister. It is late and I am getting tired but my question linked the future of water supplies with the proposal to do long wall coalmining in this area. That was my question. What is your response?

Mr GRANT McBRIDE: I am saying that, as to long wall mining in the Dooralong and Yarralong valleys, I will not accept any proposal that will have a negative effect on the water catchment or the people of that area.

Ms LEE RHIANNON: That was good. You mentioned mining in that sentence. Thank you. Are you saying that as the responsible Minister or as Mr McBride?

Mr GRANT McBRIDE: I am saying that as the local member and as the Minister for the Central Coast. I will not accept that.

Ms LEE RHIANNON: Thank you. When does the casino licence expire?

Mr GRANT McBRIDE: Exclusivity is 2007 and the actual licence is 2093.

Ms LEE RHIANNON: There will be a lot of estimates hearings between now and then. Are there plans to extend the licence?

Mr GRANT McBRIDE: No. They have the licence. I think you are referring to the issue of exclusivity. Star City has the licence to operate a casino until 2093—which is a long way away. Like the rest of us, you will not be at that Committee meeting unless something scientific or miraculous happens before then. The exclusive right to operate a casino in New South Wales expires in September next year. That is the exclusive right as against the right to operate a casino. At the moment there is no intention on the part of the Government to look at a second casino in New South Wales. Our current policy is that there will be no second casino.

Ms LEE RHIANNON: How many venues does the Panthers club have across New South Wales?

Mr GRANT McBRIDE: Off the top of my head, I think there are 14.

CHAIR: Are they venues or clubs?

Ms LEE RHIANNON: My initial question was about venues. Are there 14 venues?

Mr GRANT McBRIDE: I will take the question on notice. I do not want to provide false figure. However, if we say the venues existed before as independent clubs, I think there are something like 14 in the Panthers group.

Ms LEE RHIANNON: The second part of my question is: How many of those venues were once local clubs? We have the Mekong Panthers.

Mr GRANT McBRIDE: They all were.

Ms LEE RHIANNON: That is what I wanted to check on.

Mr GRANT McBRIDE: They are still clubs and they became the Panthers group—I think that was the terminology used.

Ms LEE RHIANNON: Which club in New South Wales has the largest number of poker machines?

Mr FOGGO: It would be Penrith Rugby League Club Ltd.

The Hon. IAN WEST: Can the Minister advise the Committee on the current water supply situation on the Central Coast and the management of the Central Coast Joint Water Authority?

The Hon. MICHAEL GALLACHER: Where have you been?

CHAIR: Allow the Minister to answer.

Mr GRANT McBRIDE: One is left with the feeling that the previous line of questioning was insincere when you indicate that you are not interested in listening to a comprehensive answer.

The Hon. MICHAEL GALLACHER: As opposed to the drivel I gave you earlier.

Mr GRANT McBRIDE: I can only assume that the Hon. Michael Gallacher was not sincere, and that is always a worry. In response to the question, water on the Central Coast is a real issue. It is a local government issue—that point was ignored earlier—and, ultimately, the responsibility for Central Coast water rests with Gosford and Wyong councils. Opposition members chose to ignore that fact before. Responsibility for the management of water rests with the two councils and last year Frank Sartor tried to negotiate with the councils to do something about that governance that you are well aware of, which is debilitating to any decision-making process associated with the actual water supply system.

Everyone on the Central Coast is well aware of the issue—that is, that any decision made in terms of the joint water supply must be referred back to the individual councils. When it is referred back to the individual councils each council is then entitled to make a decision on their own about what action should be taken. It was clear to the Government last year that there were issues in regard to the management of the water supply by the two councils and that there was a need to improve governance. Jumping forward to today, despite this, the New South Wales Government is helping to secure the region's water supply by funding programs that will deliver additional water to the people of the Central Coast. We are looking at linking the network as part of a water banking system. That concept was developed in discussions between both Hunter Water and the Central Coast Joint Water Authority.

The region is experiencing the worst drought on record, which has impacted severely on the water supply for the region. In fact, the Central Coast has been drought for 15 years. Although the area is still green there has not been a major flood on the Wyong River in more than 15 years. Current overall storage levels on the Central Coast is at 14.8 per cent with the main storage dam, that is, Mangrove Creek Dam has a current capacity or 13.1 per cent or enough water to supply the Central Coast for approximately 18 months at current usage levels. That indicates that the Government has to look at bigger plans for the future water needs of the Central Coast. Given that current consumption, without an increase in the water supply, will only last 18 months there is a real need to take action to provide water in the immediate future. Water consumption on the Central Coast currently stands at

approximately 70 mega litres per day, and if we can supplement the supplies by 35 mega litres each day it will effectively double the life of the water currently in the storage dams.

The augmentation of the pipeline from Newcastle delivering water to the Central Coast can provide something like 30 or 35 per cent of the daily consumption needs of the Central Coast. Councils are already ground water harvesting which can bring in another 15 per cent so we can achieve half the daily consumption needs. Given that is the case, that would double the lifetime of existing storage. And this target is very achievable and the Government is helping the councils to reach that goal. The Premier visited the Central Coast in May and made an offer to the council's Joint Water Authority outlining a four-point plan of assistance from the State Government. This offer has been accepted by councils.

The plan included new funding of \$2.5 million through Hunter Water to bring forward the construction of a water filtration plant on the Williams River in the Hunter Valley to supplement the Central Coast water supply. Even though Hunter water supply on the Central Coast at the moment is more than adequate, recognising that this will become a network, there is a need to increase storage in the Hunter region in order to maintain the demands that are being placed on them for supply to the Central Coast. This plant will treat water from the Williams River and remove excess nutrients before being stored in the Grahamstown Dam. The temporary easing of restrictions will allow councils to take an additional 4 million litres of water each day from Ourimbah Creek. And government agencies are continuing to work with councils to take advantage of any additional water available from Ourimbah Creek. When there are flood flows through the creek system, with increased pumping we will be able to harvest some of the water in the peak flow. We need to have pumps that can extract that water over that short period of time so that we can maintain environmental flows for Ourimbah Creek. The highly successful Water Savings Fund has now been extended to include the Central Coast. This scheme offers rebates to consumers using water efficient washing machines and rainwater tanks.

The Hon. MELINDA PAVEY: Is there a rebate on the Central Coast?

Mr GRANT McBRIDE: No, I am saying this scheme offers rebates to consumers using water efficient washing machines and rainwater tanks. The scheme reaffirms the State Government's commitment to the \$27 million Hunter connection pipeline to the Central Coast which will supply the Central Coast with 20 mega litres each day. The Premier has also convened a water management group to assist both Gosford and Wyong councils in working through the opportunities that exist on the Central Coast to deliver more water to the region. I am advised that this group will ensure all considerations and approvals will be considered in a timely manner to ensure more water is delivered to the Central Coast. I understand that one of these projects is the construction of a temporary weir in Porters Creek which will see water taken from Porters Creek, treated and used as environmental flows in the Wyong River, thus allowing a greater take from Wyong River.

The Hon. MICHAEL GALLACHER: That is what John Howard announced last week.

Mr GRANT McBRIDE: That is right.

The Hon. MICHAEL GALLACHER: You should congratulate him.

Mr GRANT McBRIDE: No. I will not.

CHAIR: Order! Stop interrupting the Minister.

Mr GRANT McBRIDE: I actually recommended that he make some contribution and it was good that he did.

The Hon. MICHAEL GALLACHER: I asked you and you did not know how much you made.

Mr GRANT McBRIDE: He did make a contribution.

The Hon. MICHAEL GALLACHER: No, you.

Mr GRANT McBRIDE: Another is the potential use of a Department of Primary Industries dam with a capacity of up to 5 mega litres. This dam currently holds several mega litres and can be integrated into the greater Central Coast water system. The Government is also considering approvals for Gosford and Wyong councils proposed temporary desalination plants. However, I am advised these plants should only be implemented as an absolute last line of defense. It is also worthy to note that the State Government through Delta Electricity and Wyong Shire Council submitted a joint application to the National Water Commission for funding, funding that would never be forth coming from the Howard Government.

This application was for a proposal to save up to 3 mega litres of water each day by replacing the town water currently used in the power station with recycled water. The Commonwealth Government rejected this application, which is an example of the commitment forth coming from the Commonwealth in relation to the water crisis. The lemma Government is also assisting the councils to achieve efficiencies in their management structure. Currently Gosford and Wyong councils manage water through a Joint Water Authority. Once the Joint Water Authority makes a decision then both councils must ratify the decision at an ordinary council meeting which has led to inordinate delays and a lack of decision-making. That is why the Government is working with the two councils to establish a local water corporation.

Whilst this will not have any significant impact of the current water crisis it will ensure the efficient and effective delivery of water supply, sewerage and drainage services in the longer term. It is a short-term issue and the Government is looking at a long-term solution, which is that water banking solution. We are continually looking at ways to assist both Gosford and Wyong councils to secure the regions' water supplies and I am confident that there will be even more initiatives in the future. At Morris lemma's visit to the Central Coast he stated the Government would not leave the residents of the Central Coast in the lurch when it comes to water.

The Hon. IAN WEST: What is the impact of higher petrol prices and interest rates on the Central Coast community and small businesses?

Mr GRANT McBRIDE: They are very important issues to the people of the Central Coast. Rising interest rates and soaring fuel prices are hitting Central Coast families and small business hard because many residents regularly travel to and from the Central Coast for employment. Central Coast residents suffer a high burden from soaring petrol costs, and they have the Federal Government to blame. The location and geography of the Central Coast conspire to make a car almost essential. Small businessmen and tradies commute long distances to Sydney, Newcastle and in some cases well beyond. Rising petrol prices are hurting people on the Central Coast.

The Hon. MICHAEL GALLACHER: Catch a fast-moving train.

Mr GRANT McBRIDE: Put simply, Central Coast residents drive long distances and travel a lot of kilometres. Sadly petrol companies know all too well the Central Coast dependence on the family car and they milk it for all it is worth. For no rational reason fuel prices on the Central Coast are even higher than Sydney and Newcastle, often by 10¢ a litre or more. The Federal Government must step in and protect Central Coast families and small business from this blatant price gouging. There is no defence for the price differential between Ourimbah and Belmont, or Woy Woy and Wahroonga for that matter.

Central Coast residents resent paying an exorbitant excise to the Federal Government at a time of huge surpluses, and they are not seeing any of that money returned to the Central Coast. To add insult to injury, they pay a tax on a tax. They pay GST on the fuel and excise cost. I will quote the Federal Parliament's research paper titled "Petrol pricing in Australia: issues and trends":

The taxation on petrol, the single largest component of the petrol price, is applied by the Commonwealth.

It is time the Federal Government did something to protect Central Coast families, and give them some relief from high fuel costs and investigate why oil companies consistently charge higher prices at their Central Coast outlets than in Sydney and Newcastle.

Unfortunately, petrol prices are not the only item putting the squeeze on Central Coast families. All here would remember the Prime Minister's promise on interest rates made before the 2004 Federal election. What has happened? Interest rates have risen, and risen, and risen. Was this another core promise? It seems that the only promises that the Central Coast gets from the Prime Minister are non-core promises. We would also like the Prime Minister to give us HMAS Canberra. To my knowledge, understand the Prime Minister has not yet made a commitment on that. I understand this proposal is supported by the two Federal members. It would be very nice if he could do that for the Central Coast.

The Hon. EDDIE OBEID: Can the Minister update the Committee on the status of Central Coast road projects?

Mr GRANT McBRIDE: As someone who lives on the Central Coast, I know that Central Coast roads is one of the big issues for the area, and always will remain so. The NSW Government has spent over \$325 million on planning, building and maintaining Central Coast roads since 1995-96. The Government recognises the importance of an effective road network for the Central Coast community and is committed to improving Central Coast roads.

Since 2003, significant improvements have been completed on the Pacific Highway at Wyoming, from one end of Wyoming to the other; The Entrance Road at Erina and Forrester's Beach; the York Street Footbridge, East Gosford, which is most important community infrastructure; and Avoca Drive at Green Point and Kincumber. Last year, the RTA completed the intersection of Terrigal Drive and The Entrance Road, at a cost of \$10 million and the \$5 million upgrade of the intersection of Craigie Avenue and the Pacific Highway at Wyong Hospital. In 2005-06 more than \$36 million was allocated for the roads program on the Central Coast and in 2006-07 this has been boosted to \$73 million.

Some of the major projects include The Entrance Road, Erina. Construction is currently under way on the upgrade of The Entrance Road between Terrigal Drive and Carlton Road to four lanes with cyclist and pedestrian facilities. A \$9 million roadworks contract was awarded for this project late last year, and \$8 million has been allocated in the 2006-07 budget to complete the work. Anyone who has travelled on that section of road will realise what a difficult bit of engineering that is. Anyone who has seen it would understand that the costs of works on our arterial road system are very expensive and comparable to developed areas in Sydney.

Other major projects include the Pacific Highway, Tuggerah. Preliminary work has started on stage one of this project to duplicate the Pacific Highway at Tuggerah, with \$10 million in the 2006-07 budget to commence stage one of the widening between Anzac Road and Mildon Road—or Tuggerah Straight, as we call it. Another is Avoca Drive, Green Point. Planning for the four-lane upgrade between The Entrance Road and Sun Valley Road is well advanced, with \$5 million allocated in the 2006-07 budget to commence work later this year.

Another major project is the Pacific Highway at Ourimbah. The first stage of the major upgrade of the Pacific Highway at Ourimbah commenced in June this year, with \$9 million allocated to widen the highway from north of Dog Trap Road to the roundabout at Chittaway Road. This work includes a major upgrade of the Dog Trap Road intersection. The sum of \$3 million has also been allocated to commence planning for the next stage of the project. This work is related to the backing up of traffic on the F3 during peak morning periods, and therefore is very important for the safety of motorists travelling in a southern direction to Gosford, and will also have a major impact on safety at the Ourimbah Public School.

Yet another major project is The Entrance Road at Wamberal. Some \$12 million has been allocated in the budget for the four-lane upgrade between Ocean View Drive and Tumbi Road—a major pinch-point on the network. Works on the first stage from Pitt Road to Tumbi Road commenced in June 2006. I apologise to motorists for the inconvenience they suffer while travelling through that stretch of road at the moment due to the work that is under way. Sparks Road is another major project. Planning for a \$10 million upgrade of Sparks Road will commence in 2006. However, it is dependent on progress of the new Warnervale Town Centre, particularly the new railway station. The last major project I will mention is at the Wyong Town Centre. A study detailing potential options is being refined and the RTA will be exhibiting details later this year. This has been an issue for the Wyong

council to have an exhibition of the options. The pinch-points issue is about improving the network. We are targeting pinch-points in the system to get a better flow throughout the system.

I should talk about the Avoca Drive issue because it is a matter that has been well aired in the newspaper. The honourable member for Gosford should be ashamed. He has been an elected representative for 18 years, but what does he have to show for it? Chris Hartcher is renowned for opposing things that are good for the Central Coast. He always has unrealistic solutions—solutions that would never work. First, we hear about his plans to raise the rotting remains of an old Sydney ferry that used to live on the Gosford foreshore. It was a wreck. He made that a commitment in the November prior to an election. He put that forward as Coalition policy. It was interesting that he got no support from anyone in the community or from the council.

Then we heard the tired old member for Gosford come up with the suggestion to make Dane Drive in Gosford a tunnel. That was a priority of the Opposition before the last election. I should point out that this road is built on reclaimed land. The people of the Central Coast would have to exchange their cars for scuba gear if this ridiculous plan were ever implemented. Traffic coming down the F3 from the old Pacific Highway and across Brian McGowan bridge goes through this area of Dane Drive. The proposal of the honourable member for Gosford was to turn that road section into a tunnel. As everyone on the Central Coast knows, our major priority is our arterial road network. We have a strategy for these roadworks. The issue is the pinch-points.

We have an unusual network. Major geographical landforms mean that, no matter where you go on the Central Coast, you end up travelling on our arterial road system. This is a major problem. Anyone who would suggest spending tens of millions of dollars putting a tunnel through this reclaimed land is out of touch with the community and Central Coast road objectives. Now Chris Hartcher is standing in the way of a much needed infrastructure upgrade on Avoca Drive. He should be supporting us. This project is in his electorate, and it is something that his constituents have been lobbying him for for years. But, no—

The Hon. MICHAEL GALLACHER: Is Wamberal in your electorate currently?

The Hon. MELINDA PAVEY: No respect.

CHAIR: Order! I call the Hon. Michael Gallacher and the Hon. Melinda Pavey to order.

The Hon. MICHAEL GALLACHER: What about Tumby road? That is in your electorate. They have had public meetings to do with electricity, but you have not been anywhere near them.

CHAIR: Order!

Mr GRANT McBRIDE: Chris Hartcher elects to support a minority group that want to save a few noxious liquid amber trees, an exotic introduced species.

[Interruption]

CHAIR: Order!

Mr GRANT McBRIDE: This same group, including Mr Hartcher, would rather see large amounts of native vegetation, including gum trees, blackbutts and swamp mahogany destroyed. Not only would the trees go, but also the endangered habitat of the swift parrot.

[Interruption]

CHAIR: Order!

Mr GRANT McBRIDE: The majority of Chris Hartcher's electorate would use Avoca Drive on a regular basis, as it is a major arterial road.

The Hon. MICHAEL GALLACHER: They will not use Tumby Road because of the electricity.

CHAIR: Order!

Mr GRANT McBRIDE: I know many people who live in places like Green Point, Kincumber, Saratoga, Davistown and the southern beaches of the coast such as Killcare, McMasters and Avoca who support this road upgrade. I must also point out that the RTA's proposal is supported by environmental groups such as the Community Environment Network and Gosford City Council. One of the strongest advocates on council is Greens councillor Terri Latella. Both of these organisations have endorsed the Government's proposal in regard to dealing with this particular issue. This is another example. I gave you the example of the actual ferry. I give you the example of Dane Drive being turned into a tunnel. In terms of Avoca Drive, again we see the local member out of touch with his community. He is out of touch with the environmental groups as well. He is out of touch with local government and he is certainly out of touch with his constituency.

The Hon. EDDIE OBEID: A tired old member.

The Hon. MELINDA PAVEY: He is a tired old member. More questions, please?

CHAIR: No, time for the session has expired.

The Hon. MELINDA PAVEY: The Labor Party has done its job. They have protected the weakest link.

Mr GRANT McBRIDE: I am happy to take your questions on notice.

The Hon. EDDIE OBEID: You did not know how to ask the first question. Why would you want any more?

CHAIR: I call members of the Committee to order. I am tired of the interjections. I hope that I do not have a repeat performance at future hearings. I thank you, Minister, and your staff for coming tonight. The Committee has up to two days to put extra questions on notice to send to you. You have 21 days to give answers following the date you receive them.

(The witnesses withdrew)

The Committee proceeded to deliberate.
