

# **GENERAL PURPOSE STANDING COMMITTEE NO. 4**

**Wednesday 14 August 2013**

**Examination of proposed expenditure for the portfolio area**

## **POLICE AND EMERGENCY SERVICES, THE HUNTER**

**The Committee met at 2.00 p.m.**

### **MEMBERS**

The Hon. R. Borsak (Acting Chair)

The Hon. T. Khan (Acting Deputy Chair)  
The Hon. C. J. S. Lynn  
The Hon. N. Maclaren-Jones  
The Hon. P. T. Primrose

The Hon. P. G. Sharpe  
Mr D. M. Shoebridge  
The Hon. S. J. R. Whan

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### **PRESENT**

**The Hon. Michael Gallacher**, *Minister for Police and Emergency Services, Minister for the Hunter*

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## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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

**ACTING CHAIR:** I declare the hearing for the inquiry into budget estimates 2013-14 open to the public. I acknowledge the Gadigal clan of the Eora nation, who are the traditional custodians of this land. I pay respect also to the Elders past and present of the Eora nation and extend that respect to Aboriginal people present. I welcome Minister Gallacher and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Police and Emergency Services, and the Hunter. 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 photographs. In reporting the proceedings of the Committee, you must take responsibility for what you publish and what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door.

I note that today's hearing is open to the public and is being webcast live via the Parliament's website. Before we commence, I will make some comments about procedural matters. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. I remind the Minister and the officers accompanying him that he is free to pass notes and refer directly to his advisers seated behind him. Transcripts of this hearing will be available on the web from tomorrow morning. The House has resolved that answers to questions on notice must be provided within 21 days. I remind everyone to turn off their mobile phones or at least switch them to silent mode. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. I remind the Minister that he does not need to be sworn as he has already sworn an oath to his office as a member of Parliament. I ask all other witnesses in turn to state their full name, job title and agency and, second, swear either an oath or an affirmation. The words of the oath and affirmation are on a card in front of you.

Before commencing, I have some comments about matters related to Operation Emblems. I have been advised that in general terms, statutory secrecy provisions have no effect on the powers of both Houses of Parliament and their committees to conduct inquiries and to ask questions of witnesses, nor does the sub judice convention restrict the power of committees to ask questions about investigations being conducted by the Ombudsman. It is a fundamental principle that the law of parliamentary privilege, including the powers of the House, to compel an answer to any lawful questions is not affected by statutory provisions unless the provision alters that law by express words. Nevertheless, as budget estimates inquiries must be held in public, members should exercise caution about pursuing questions in relation to matters covered by statutory secrecy provisions. While the Committee has the power to ask questions about Operation Emblems and the Ombudsman's taskforce, a separate question is whether it is appropriate in the particular circumstances to canvass these issues.

In my view it is not appropriate, given the investigation by the Ombudsman. Hence, I will not permit anymore questioning on this matter. I draw the attention of this inquiry to a resolution from the minutes of this standing committee dated 20 November 2012 wherein it was resolved to advise the Committee's decision to defer consideration of possible terms of reference for a self-referral into matters relating to Strike Force Emblems until after the reports of the Inspector of the Police Integrity Commission and the NSW Ombudsman have been made public noting that if the reports are delayed much longer than anticipated, the Committee may reconsider the matter in the new year.

**PETER SELBY HASTINGS**, Commissioner, NSW Crime Commission, and

**VICKI LOUISE D'ADAM**, Acting Chief Executive, Ministry of Police and Emergency Services, affirmed and examined; and

**BRETT ANTHONY McFADDEN**, Superintendent, Holroyd Local Area Command,

**DAVID WILLIAM HUDSON**, Deputy Commissioner, Corporate Services, NSW Police Force,

**NICK KALDAS**, Deputy Commissioner, Field Operations, NSW Police Force,

**ANDREW PHILIP SCIPIONE**, Commissioner, NSW Police Force, and

**CATHERINE JUDITH BURN**, Deputy Commissioner, Specialist Operations, NSW Police Force, sworn and examined:

**Mr DAVID SHOEBRIDGE:** Point of order: The resolution—I call it the gag resolution—on questioning about Task Force Emblems was made with the expectation that there would be a report from the Ombudsman in the early part of this year.

**The Hon. TREVOR KHAN:** Why are you doing this now, David? You had the opportunity.

**ACTING CHAIR:** Order! Let him have his say.

**Mr DAVID SHOEBRIDGE:** We are yet to have the report from the Ombudsman. In fact, it looks like it could be months or years away. I ask the Committee to revisit that gag order so that the public can get some answers on what happened with those potentially illegal wire tapings.

**The Hon. TREVOR KHAN:** To the point of order: Mr Shoebridge had the opportunity to deal with this matter when the Committee was in deliberative. He sat there mute when he had the opportunity to move a resolution and he did not. Now, plainly what he is doing is simply grandstanding for the audience. We should proceed in accordance with what was discussed in the deliberative and your opening remarks rather than allowing him to have his moment in the sun.

**Mr DAVID SHOEBRIDGE:** There was no discussion, we were simply told by the Chair.

**ACTING CHAIR:** Order! Minister, do you want to say something?

**The Hon. MICHAEL GALLACHER:** This may be of assistance to the Committee. I refer members to the Ombudsman's website. I have had an opportunity to look at it. It gives an indication of a magnitude of what is being requested of the Ombudsman in respect of the investigation. Something like 48 complaints have been made; 82 serious allegations, I would assume, given the resources that have been put into this investigation; 146,000 documents. More than 1 million pages of material are now in possession of the Ombudsman. I think it is only fair that his investigation and the additional resources that have been put into the Ombudsman's office be allowed to continue without there being some sideline commentary, for whatever reason, by those who think that they have better access to the information than the Ombudsman now does.

**Mr DAVID SHOEBRIDGE:** Mr Chair, since the last resolution by this Committee, there has been a statutory gag applied in relation to any material that is before the Ombudsman, effectively excluding the public from access to that information and from key accountability in asking senior police what they knew and when they knew about this wire-tapping.

**The Hon. STEVE WHAN:** Are we dealing with a motion before the Chair or a point of order?

**Mr DAVID SHOEBRIDGE:** It is a formal motion to rescind that resolution.

**ACTING CHAIR:** We are in the deliberative now. Effectively we are dealing with a point of order from you. My view is that the resolution of this Committee that I mentioned at the start of this inquiry still applies, and I do not intend to depart from it, so that is how I rule. Minister, do you want to make a statement?

**The Hon. MICHAEL GALLACHER:** No, Mr Chair, I am ready to go.

**The Hon. STEVE WHAN:** My first question is to the Minister. In January 2013, your human resources review of the Child Abuse Squad was conducted, which indicated that the squad was calling for 175 new officers with a report recommending at least 50 new positions. Since then, the Government has funded 30 new positions. Why have you continued to under-resource this vital unit?

**The Hon. MICHAEL GALLACHER:** I thank the honourable member for his question. In July 2012 the NSW Police Force Child Abuse Squad submitted a futures paper to the police human resources command outlining a number of issues affecting the squad, including issues around workload and staffing levels. A human resource review of the Child Abuse Squad was subsequently undertaken and, in March 2009, the Bourke Joint Investigation Response Team [JIRT] was established and funded under the former Government's Safe Families program. There has been a considerable investment made by the police force working between two Governments in relation to this area of child abuse. It is extremely important that as the Commissioner has had an opportunity to look together with senior members of the NSW Police Force towards the submission made by the Child Abuse Squad the NSW Police Force have an opportunity to respond to it. The Commissioner has allocated the resources, not the Government. The Government does not allocate the resources, it is the—

**The Hon. STEVE WHAN:** The Commissioner has allocated 30 positions to the squad.

**The Hon. MICHAEL GALLACHER:** If you would like to ask the Commissioner a question about his allocation of the resources and why he chose to allocate the resources, I suggest that would probably be a good second question. In answer to the first question, the fact is that we are giving the police involved in this area of policing all the support that we possibly can within the area of policing and continue to support the Police Commissioner in relation to the decisions that he makes with regard to the allocation of resources.

**The Hon. STEVE WHAN:** Minister, on 30 April Deputy Commissioner Burn was quoted by Australian Associated Press as saying, "Police are reviewing what could be done to get 40 additional officers into the squad", and yet you announced only an additional 30 positions in the media release you issued on 23 May.

**The Hon. MICHAEL GALLACHER:** As I indicated to you a couple of seconds ago, the question in terms of resourcing would be better placed towards the Commissioner—

**The Hon. STEVE WHAN:** Did you issue that media release? So you are willing to claim credit for additional positions?

**The Hon. MICHAEL GALLACHER:** I think it is a bit early to be starting to shout, Steve. This is a very serious issue.

**The Hon. STEVE WHAN:** It is a very serious issue, so can you address whether you believe it is adequately resourced to do the job at hand?

**The Hon. MICHAEL GALLACHER:** Mr Chair, if I am being asked a question about the resourcing of a police command, I can only put to the honourable member that the decisions made in relation to resourcing in respect of reallocation of resources within the NSW Police Force are made by the Commissioner. If the honourable member wishes to ask the Commissioner why the decisions were made in relation to the allocated number, then I suggest that the honourable member should ask the Commissioner.

**The Hon. STEVE WHAN:** Minister, do you wash your hands of all decisions on allocations of resources to important areas in the police force?

**The Hon. MICHAEL GALLACHER:** No. As I have indicated in the House many, many times, the Commissioner and I talk about priorities and challenges for New South Wales on a daily basis, sometimes on a number of occasions during the course of the day. I listen to his understanding of the needs of the NSW Police Force and the challenges that they confront to ensure that this State continues to be the safe State that it is. He has made submissions to me on a whole host of issues, and I continue to support his allocation of resources.

**The Hon. STEVE WHAN:** Minister, the report in January 2013 said that 50 cases were ready to proceed in January, but suspects had not been arrested because of lack of resources. Have all these suspects now been arrested and charged?

**The Hon. MICHAEL GALLACHER:** I remind the member that there has been substantial debate on this in the House. In fact, I recall answering these questions on a previous occasion. I refer him to my previous answers, but in lieu of that I will also take that question on notice from my perspective in respect of the answers that I have given. If there is anything further I need to add, I will. In respect of the operational aspects of the police force, I suggest he should ask the police representatives who are here.

**The Hon. STEVE WHAN:** You cannot give an unequivocal answer yes or no on that?

**The Hon. MICHAEL GALLACHER:** I have already answered these questions in the House in the past. To be assured that I am correct in what I am saying, I will take that question on notice to ensure that the answer is entirely consistent.

**The Hon. STEVE WHAN:** Deputy Commissioner Burn, did you tell the Premier on 30 April that no child had been placed at risk as a result of shortages in the Child Abuse Squad?

**Ms BURN:** That is correct.

**The Hon. STEVE WHAN:** You did tell the Premier?

**Ms BURN:** I made that statement.

**The Hon. STEVE WHAN:** Do you disagree with the assessment in the Child Abuse Squad Human Resources review that a number of cases were ready to proceed but suspects were not arrested because of a lack of resources?

**Ms BURN:** It would be useful for me to explain the process that the Child Abuse Squad uses in its assessment of matters that are referred to it. They have a series of categories. The matters with the highest level of risk are dealt with immediately, and there is a priority status that is given to those high-level risk matters. If the response is that police have to attend and remove a child, that will happen immediately. There are then other categories that are not in that high-risk level. It might be that a third person has made a complaint and the child has not been interviewed yet. It might be that the investigation is still ongoing. Of the matters where they might be waiting for arrest, the investigation either has not been completed, the offender or the suspected person's location is not known, or they might even already be in custody somewhere else, so there is something else in place that suggests that they are not at risk at that particular point in time because we have already done the assessment.

**The Hon. STEVE WHAN:** You can then give an assurance that none of the 50 cases that were ready to proceed for which suspects were not arrested posed a danger to any child in the community?

**Ms BURN:** That is the advice I have been given by the commander of the Child Abuse Squad. The matters where the child is at risk are dealt with within the first 24 hours. These matters that were referred to in that report are not those matters.

**The Hon. STEVE WHAN:** Commissioner, how many people currently being targeted on gun crime are out on parole?

**Mr SCIPIONE:** I will need to get you those details. It is not something I have before me at the moment. I will take that on notice and we will provide that to you in writing.

**The Hon. STEVE WHAN:** I move now to the Minister. Given the Attorney-General told the Legislative Assembly on 25 March "We are ready to go" with respect to having an outlaw motorcycle gang declared a criminal organisation, why are we still waiting for the declaration of a motorcycle gang as a criminal organisation?

**The Hon. MICHAEL GALLACHER:** We most certainly are ready to go, and have been for some time. In fact, we have gone beyond ready to go; it is all underway in terms of the preparation. As you would

recall, the High Court decision was very clear in regards to the evidence that was required in relation to one of these declarations—the magnitude of what that meant for the NSW Police Force in terms of the preparation of evidence, the brief if you like, for that declaration. That did mean a refocusing on the evidence that was being collected and, of course, the Commissioner is in a position today to indicate to the Committee, if so required, the resources that are being put into the ongoing work that these officers are doing in the preparation of that. But, in saying that, the police force is not resting on just one piece of legislation. Whilst that fine work is continuing, work is also being undertaken by the police force in regards to those people who would otherwise possibly qualify for such a declaration through a variety of other means in terms of a significant enforcement approach through various methods that police are using, as well as consorting laws, tattoo parlours and a host of other opportunities of which police are taking advantage.

**The Hon. STEVE WHAN:** It has taken a considerable length of time to go through that process that you have outlined. When do you expect that the people of New South Wales will see this process completed and one of these gangs, which we consistently hear about from yourself, the media and police, actually banned?

**The Hon. MICHAEL GALLACHER:** As you know as a former Minister your Government had some considerable difficulties under old legislation. There was a degree of reluctance I have to say even within your former Government to embrace this.

**The Hon. STEVE WHAN:** I would appreciate it if you would talk about your Government.

**The Hon. MICHAEL GALLACHER:** It is very important in knowing where you are going to know where you have come from. There was a degree of reluctance in the previous Government and there was dragging of the feet. There is no dragging of the feet—

**The Hon. STEVE WHAN:** Minister, I do not think you can really speak on behalf of the previous Government. I would appreciate it if you would speak on behalf of your own actions and why it has taken so long for action to take place on this?

**The Hon. MICHAEL GALLACHER:** Mr Chair, thank you. It may well have slipped the honourable member's attention but there was a High Court decision recently in relation to these matters following an application by another jurisdiction. As a result of that, police have had to change the approach they were taking. They have also enlisted legal counsel to assist with that. There has been a significant investment in it so any suggestion that there is a dragging of the feet the likes of which we saw under the previous Government is simply unfair to police. If the honourable member wants an answer about where it is up to from the NSW Police Force perspective, given that they are now the ones preparing the affidavits or preparing the brief of evidence in relation to the affidavits, then the question should be directed towards the police that are here.

**The Hon. STEVE WHAN:** My next question is to the Commissioner. Do police have sufficient powers to collect the evidence necessary to apply for an order under the Crimes (Criminal Organisations Control) Act 2012?

**Mr SCIPIONE:** I can indicate at this stage that the process by which we are moving towards an application is something we have talked about for some time. I can indicate that the NSW Police Force has a unit specifically dedicated to preparing this application—they sit within the State Crime Command. There are 10 full-time officers in the criminal organisation unit and they are hard at work preparing the necessary application for the first declaration under the new legislation. We have appointed Senior Counsel and we are waiting for Senior Counsel in discussion to assist us with the preparation. We want to get this right. We do not want to go half ready or half baked. I am advised that certainly we have been working with a range of different jurisdictions, bearing in mind that the New South Wales legislation that has now commenced was based on the Queensland legislation. That was because the High Court's decision to uphold the validity of the Queensland legislation gave us some serious hope that we were going to progress this through to an action.

At this stage, in terms of where we are at, we are well underway. We are working with counsel. We are full-time with 10 working with Crown solicitors, and we are hopeful that we will be moving this just as quickly as we can. The other thing you talked about was whether we have enough power. I think what is important to realise is that we have made very good use of the consorting laws. The consorting laws have been changed over recent times to make it easier for police to carry out the enforcement that we think needs to be done. There is an increased penalty of three years now—up from six months that we previously had. It now includes contact with known offenders by electronic means—that is, over the phone, online—and that has been helpful for us.

Based on the latest figures that I have, we have issued consorting warnings to 462 people and 47 of those were members or associates of outlaw motorcycle gangs. We have charged 15 people with consorting—five of those are believed to be members or associates of outlaw motorcycle gangs. There have been two convictions for consorting to date. We have been challenged in that regard. In fact, these matters are going to the Court of Appeal in November of this year. In the meantime we are continuing to use those laws. We will use them effectively and with all the vigour that we can because this is about doing all we need to do to break the back of those groups that would act as organised criminals in the commission of crime in New South Wales. We believe there are sufficient laws for us and there is sufficient power for us to gather what we need. We are doing that; we will continue to do that. We will make sure we get this right.

**The Hon. STEVE WHAN:** You talked a bit about the legal advice you have been receiving. Has any of that advice led you to believe that the Act is susceptible to further challenge in the High Court?

**Mr SCIPIONE:** I think no matter what any government or any State jurisdiction does in this space there will be a High Court challenge—that is my belief.

**The Hon. STEVE WHAN:** What is the advice that you are getting at the moment about the likelihood of it standing up?

**Mr SCIPIONE:** We are not getting advice to that effect. We are getting advice that we need to be prepared and ready for a challenge. That is why I have said we need to make sure we get this right.

**The Hon. STEVE WHAN:** Has the advice you are getting been a material part of slowing down this process to get an order?

**Mr SCIPIONE:** The advice has had nothing to do with slowing down anything. We want to make sure we have the evidence and that we have got it in sufficiency to make sure that we are ready to withstand any challenge.

**The Hon. STEVE WHAN:** Minister, has the legislation passed earlier this year on right to silence and pre-trial disclosure laws been proclaimed?

**The Hon. MICHAEL GALLACHER:** I can indicate to you that it commences on 1 September and I have to say that in talking to many police, especially detectives involved in serious crime the likes of which you have just been asking questions about, they are incredibly excited about the opportunities that this presents. I would like to think that before the next State election the Opposition will change its position in relation to the right to silence and pre-trial disclosure legislation that we passed and start supporting front-line police with these sorts of changes.

**The Hon. STEVE WHAN:** Why has it taken so long to proclaim the legislation?

**The Hon. MICHAEL GALLACHER:** The fact is that a degree of time was required by police to train police in terms of the changes. This is not the sort of thing you would introduce and start tomorrow and expect police to be able to understand the implications of the changes. My understanding of it was based on the need for police to have time to bring their troops up to speed with the changes.

**The Hon. STEVE WHAN:** Are you concerned by the length of time that it is taking to put all of these things into place, given that more than 50 shootings have occurred on Sydney streets since the commitment was given by the Attorney General to the outlaw motorcycle gang legislation being ready to go?

**The Hon. MICHAEL GALLACHER:** The fact is if you were relying on one or two things then, of course, you would be able to present an argument that nothing else was happening. But the reality is, of course, that police have made arrests and we are seeing a continuing downturn in the number of drive-by shootings—this is not me speaking, this is Don Weatherburn speaking—and we are seeing police utilising the other changes that we have made in relation to consorting.

**The Hon. STEVE WHAN:** Minister, how can you say that there has been a continual downturn in shootings? There have been more than 250 shootings in the last two years, and 20 deaths. When are you going to admit that this is not under control?



**The Hon. MICHAEL GALLACHER:** If you are asking a question about control then what was it like during the time when your party was in government? Then we had astronomically high numbers—

**The Hon. STEVE WHAN:** You have been the Minister for 2½ years now.

**The Hon. MICHAEL GALLACHER:**—of shootings. Even one shooting is one shooting too many, I can assure you of that. The police are putting every available resource into this, and they are certainly making the arrests. But, sadly, it is impossible for the Opposition to admit that the police are making the arrests and they are taking the guns off the streets. Let me talk about guns for a moment, Mr Whan, because, no matter how hard our cops work on the streets, it is your colleagues in the Federal Government who leave the back door open. We saw that yesterday.

**The Hon. STEVE WHAN:** Minister, we are asking about your jurisdiction here.

**The Hon. MICHAEL GALLACHER:** With all due respect, Mr Whan, you cannot have it both ways.

**The Hon. STEVE WHAN:** Your constant attempts to blame the last government or the Federal Government do not reassure the people of New South Wales about your action on gun crime.

**The Hon. MICHAEL GALLACHER:** I stood with commissioned officers yesterday pointing at weapons the likes of which we only ever used to see on television and video on the streets of San Francisco or Los Angeles. We are now seeing them on the streets in Australia. If I were you, I would be greatly concerned. You are suggesting that we do not have a problem.

**The Hon. STEVE WHAN:** Minister, I do not have the Federal Minister in front of me; I have the State Minister whose responsibility it is to put the resources where they are needed to tackle this problem.

**The Hon. MICHAEL GALLACHER:** As I said to the member opposite in answering his question earlier, if you believe there are insufficient resources being put onto the streets then you should ask the Commissioner, the person responsible.

**The Hon. STEVE WHAN:** On 21 July the *Sunday Telegraph* reported that you had rejected a plan brought to you by senior police to form a new organised crime unit because they had not yet, "solved significant structural inefficiencies," in the State's Child Abuse Squad. We have talked about the Child Abuse Squad before, and you have assured us that that is all underway. Why did you reject that application from the Police Force to get a new organised crime unit?

**The Hon. MICHAEL GALLACHER:** Mr Whan, let me get an indication here. Would you rather have them worrying about that aspect rather than child abuse as a priority? I thought child abuse was the priority for everyone around this table and I do want to see it resolved.

**The Hon. STEVE WHAN:** Minister Gallacher, I think that reflection is totally unwarranted. We have talked about the Child Abuse Squad already. If you want to go into some grubby attempt to demean other people's motivations instead of answering questions then it reflects on you. I ask you to answer the question about why you rejected a plan to form a new organised crime unit.

**The Hon. MICHAEL GALLACHER:** As I have indicated before, and I indicated this publicly at the time—sadly, Mr Whan, you must have missed that also—I said it was extremely important that we commit all possible resources, when looking at restructures within the Police Force, to addressing the issue of child abuse. What none of us around this table wants to see is one child falling between the cracks in terms of a structural deficiency. You raised this as your first issue today.

**The Hon. STEVE WHAN:** Yes, that was reflective of its importance.

**The Hon. MICHAEL GALLACHER:** I think it is important to again make the point that it is a priority for this entire Parliament to make sure we get that right. I have not stood in the road of this or blocked it. What I have suggested is that we do need to get that resolved. In fairness to the Police Force, they are working to get that done. But at the same time—

**The Hon. STEVE WHAN:** So they cannot tackle the two things at once; is that what you are saying?

**The Hon. MICHAEL GALLACHER:** The police are also working with the NSW Crime Commission on developing a strategy in relation to money laundering. There was not, as you have suggested, a correct representation of what was occurring at the time in that media article. There was a discussion taking police at senior levels within the Police Force about money laundering. It had not been finalised, and it had not been formally presented to me at that stage.

**The Hon. STEVE WHAN:** So how had it been presented to you?

**The Hon. MICHAEL GALLACHER:** It had been presented to me as another issue that was being looked at within the Police Force in terms of ongoing reform. I indicated to police at the time that my number one priority was ensuring that the child abuse issues were resolved, and that is being done as I speak to you now.

**The Hon. STEVE WHAN:** And did the police seek any additional resources from you or from the Treasurer to enable that unit to be established?

**The Hon. MICHAEL GALLACHER:** Which unit was that?

**The Hon. STEVE WHAN:** The unit I have been talking about here, the organised crime squad.

**The Hon. MICHAEL GALLACHER:** As I have just indicated to you, Mr Whan, I have had no formal application put to me as yet.

**The Hon. PENNY SHARPE:** Would you support such an application if it is forthcoming?

**The Hon. MICHAEL GALLACHER:** Sadly, I cannot answer in the hypothetical because I do not know what the structure will look like.

**The Hon. STEVE WHAN:** Commissioner, how much would it cost to establish this unit?

**Mr SCIPIONE:** The Minister is correct: it was a money-laundering targeting team. It was not necessarily an organised crime-targeting squad that would go out. It was predominantly looking at going after the assets, particularly the money-laundering side of the show. Having said that, the proposal was one that was in its very early stages. I do not have the details in terms of what the costing would relate to, but certainly those figures would have been absorbed. We were looking as well to look at perhaps diverting some existing positions into this team and putting it as part of the Organised Crime Targeting Squad that sits currently within State Crime Command. But I do not have the details of what the costs would be. I could get those for you, but certainly at this stage I do not have them before me.

**The Hon. STEVE WHAN:** If you could take that on notice that would be good. How many of the 30 positions in the Child Abuse Squad have been filled? Those are the additional positions that the Minister announced.

**Mr SCIPIONE:** Certainly they have been either filled or are in recruitment at the moment. Currently we have had 10 positions filled where we have established those positions as a matter of urgency. They have been filled at the child abuse squads at Kogarah, Ballina and Wollongong. Preferred candidates have been identified for a further five positions across the Sydney metropolitan area, Wollongong and The Entrance. Recruitment action is well underway for two remaining positions there. We have a further 10 positions that have certainly been advertised. Preferred candidates have been identified for four of those. Of the remaining six positions, recruitment for those is considerably advanced. Interviews were held at the end of July. So we are waiting for finalisation in that regard. We have a number of vacancies at the moment—there are 10 at the moment. But we have, again, identified preferred candidates for five of the positions at Wollongong, Chatswood, Newcastle, The Entrance and Tamworth. So those positions have been either filled or the recruitment action has commenced. Preferred candidates have been identified and we are looking to place them.

**The Hon. STEVE WHAN:** So the actual number of positions filled at the moment is 15? I am talking about positions that actually have someone in the job and working.

**Mr SCIPIONE:** I would need to confirm that but I think that is the case. At this stage, on the advice that I have, that is the case, but that would be changing on a daily basis. As people become available to be released from their current duties, they would be placed as soon as we could place them.

**The Hon. MICHAEL GALLACHER:** Mr Acting Chair, with the leave of the Committee, if Mr McFadden is no longer required can he please be excused? He is the Commander of Holroyd LAC so I am sure that he has very important things that he could be doing if he is no longer required by the Committee.

**ACTING CHAIR:** We will allow Mr McFadden to leave.

**(The witness withdrew)**

**Mr DAVID SHOEBRIDGE:** My first question will be to you, Commissioner. What disciplinary action has been taken against Sergeant Marc Osborn by the New South Wales Police Force?

**Mr SCIPIONE:** Acting Sergeant Osborn, in fact he is a leading senior constable, was convicted yesterday of a number of offences. Those matters relate to an investigation that was conducted into Mr Osborne by the Professional Standards Command. He is currently suspended without pay pending his matter being finalised. He is yet to be sentenced and so we do not at this stage in any way want to contaminate that process. But you can be assured that, based on activities that have been widely reported, and yesterday he was convicted of, certainly a strong message has been sent to Mr Osborn, and anyone else who might think that what happened there was appropriate—for it was clearly inappropriate. As I have said, currently he is suspended without pay from Gladesville Local Area Command and he awaits sentencing.

On top of that, these matters will ultimately, should I get the opportunity, be dealt with by the organisation in terms of further discipline in terms of some of the other matters that were not dealt with by the court process yesterday. But we certainly have to wait for those matters that he has been convicted of. We are looking for the sentencing to be finalised and then we will consider where we go to from there.

**Mr DAVID SHOEBRIDGE:** How is he still in the Police Force when he has admitted to having sex on the job, he has admitted to filming himself having sex with women without their consent—seemingly doing that whilst he is in the pay of the NSW Police Force—and his only defence in the Local Court was that he did not do it for his own sexual gratification, but he did it to show the film to his mates? How is he still in The Police Force?

**Mr SCIPIONE:** That is a good question.

**Mr DAVID SHOEBRIDGE:** I am asking you that question.

**Mr SCIPIONE:** Thank you. I am glad you have asked; I will give you the answer. The reality is that people, even though they are police officers, still need to be afforded procedural fairness. They need to be given the opportunity to defend themselves. The process that I have to go through if I need to dismiss somebody from the Police Force, which are the 181D provisions—I am sure you are aware of them—means that I have to establish in my mind that an officer no longer has my confidence to continue to perform duties as a police officer. I have to give them a whole range of opportunities to tell me why they should not be dismissed. That is the procedural fairness angle.

If I deal with them outside of that provision they immediately go to the Industrial Relations Commission [IRC], the matters are heard, I am then castigated and the officer is returned to me without any further right of consideration in terms of whether they in fact should or should not be police officers. That is the system. It may not be the system that I actually warm to, it may not be what I actually think is optimal, but that is the system I have to work with.

**Mr DAVID SHOEBRIDGE:** When did you begin the 181D process?

**Mr SCIPIONE:** Let me tell you, this whole matter came to our attention because of some of the officers that were exposed to these videos and deemed them to be inappropriate. They raised it with their command, their command raised it with professional standards and professional standards pursued the matter. The man was charged, put before a court and convicted.

**Mr DAVID SHOEBRIDGE:** But my question was to the 181D process.

**Mr SCIPIONE:** At this stage the internal investigation has commenced. What we cannot do is not afford him the opportunity to have his day in court. He has had that, so we are ready to continue and go forward. But, again, there are an amazing amount of hoops that we need to jump through as an organisation before we can actually get these matters before the IRC, because that is ultimately where they end up.

**Mr DAVID SHOEBRIDGE:** Am I to understand that you have not commenced the 181D process?

**Mr SCIPIONE:** No, the internal investigation process was in fact the catalyst for this going to where it went. The internal investigation process cascades down to the point where the determination is made by a complaints management team as to how this matter might be dealt with. It may well be that they could have decided that it would be dealt with by way of a section 173 reviewable or a 173 non-reviewable.

**Mr DAVID SHOEBRIDGE:** How could the Police Force not be well down this path— ?

**Mr SCIPIONE:** They are well down this path.

**Mr DAVID SHOEBRIDGE:** No, well down this path to the point where you have sufficient evidence to put this officer—give him all the procedural fairness that is required but be well advanced down that path. We have managed to have an entire criminal court proceeding while it appears little if any formal action has been taken by the NSW Police Force.

**Mr SCIPIONE:** They are your words, not mine. There has been plenty of action. The man has been suspended without pay. He has not been in the workplace since January, I am told.

**Mr DAVID SHOEBRIDGE:** How long after the allegations were raised with the NSW Police Force was he suspended without pay? What is the delay there?

**Mr SCIPIONE:** I can get you that information. I do not have that before me. But what I can tell you is the fact that he was brought to our attention by a police officer to a police officer; and that we actually commenced the proceedings says a lot. It says something. Years ago, that would not have happened. Today, it does.

**Mr DAVID SHOEBRIDGE:** I commend any officer who brings this to the attention of the public and the Commissioner.

**Mr SCIPIONE:** I would commend them too, but there is an expectation. That is the requirement in our job now.

**Mr DAVID SHOEBRIDGE:** Has there been an independent investigation about which other officers had access to these appalling covert sex tapes that this officer took? Has there been an investigation as to which other officers have had access to the material?

**Mr SCIPIONE:** Again, some of the officers that you are talking about in this case were the whistleblowers. They are the ones who brought it to our attention. If you are suggesting that they were tardy, slow or—

**Mr DAVID SHOEBRIDGE:** I am not suggesting anything, Commissioner. I am asking whether there has been an investigation.

**Mr SCIPIONE:** You are suggesting a lot of things. You are suggesting that we have not commenced proceedings, we are not well down the path, we are not doing anything in terms of the internal investigation. Goodness me.

**Mr DAVID SHOEBRIDGE:** I will ask a very direct question: Has there been an investigation into which other officers have had access to these appalling covert sex tapes?

**Mr SCIPIONE:** This whole investigation has been conducted by Professional Standards Command. They are police officers.

**Mr DAVID SHOEBRIDGE:** You know when similar issues and allegations arose in the Australian Defence Force [ADF] it immediately instituted a genuinely independent investigation and had people not from the defence force investigating those matters. Why has the NSW Police Force not taken the same steps and had an independent investigation rather than have other police investigate it?

**Mr SCIPIONE:** I do not know why I am answering questions about the Australian Defence Force, but I will. The fact is when the ADF determined that a crime may have been committed they went to the law enforcement agency outside. We are the law enforcement agency. When this man broke the law we prosecuted it and put him before the court, because we are the law enforcement agency. Which law enforcement agency would you suggest we go to, the Australian Federal Police? They would say, "We've got no jurisdiction." What about the Victorian police?

**Mr DAVID SHOEBRIDGE:** Have you referred the matter to the Ombudsman or the Police Integrity Commission [PIC]?

**Mr SCIPIONE:** The matter was listed on what—

**Mr DAVID SHOEBRIDGE:** You know the accountability measures, Commissioner.

**Mr SCIPIONE:** Correct.

**Mr DAVID SHOEBRIDGE:** Have you approached any of them? Have you approached the Ombudsman or the Police Integrity Commission?

**Mr SCIPIONE:** Let me tell you what we do. If you let me answer the question I will take you through the process.

**The Hon. TREVOR KHAN:** Point of order: Mr Shoebridge is engaging in the same exercise as he did this morning and becoming overly excited. He should allow the Commissioner to answer the question before he jumps down his throat to ask a further question. It becomes inaudible and it is somewhat distracting.

**Mr SCIPIONE:** I am happy to answer the question. I think it is important, Acting Chair, that I do this. It is a really good question that Mr Shoebridge has asked. I guess for the edification of all in the room I am happy to answer it.

**ACTING CHAIR:** Order! I rule that Mr Shoebridge's line of questioning is very good. I would ask him to slow it down a little so that people can follow.

**Mr SCIPIONE:** The advice that goes to external agencies is not something that is left in the hands of an individual officer to get on a phone or pick up a piece of paper and stick it on a fax or send an email. We have in New South Wales a very, very highly developed means by which we communicate to the oversight agencies immediately and electronically. It is a program called c@ts.i. The c@ts.i program came from and as a result of the establishment of the Police Integrity Commission. The minute we record a matter as a complaint, it goes online. It is on c@ts.i. The oversight agencies have complete access to c@ts.i and they do that on a daily basis. I cannot tell you how quickly after we actually uploaded this as a complaint—and clearly we did; we prosecuted it. But the minute we upload it, it is there and available and you can be assured the oversight agencies watch c@ts.i like a hawk, as they should. So both the Ombudsman and the Police Integrity Commission were advised electronically, as we do with every matter, and it would have been immediately put online.

**Mr DAVID SHOEBRIDGE:** Has the Ombudsman oversighted the police's own investigation of themselves regarding the behaviour of Acting Sergeant Marc Osborn?

**Mr SCIPIONE:** If you are asking me what the Ombudsman or what the PIC has done, I cannot answer that. You probably need to ask the Ombudsman or the Police Integrity Commission.

**Mr DAVID SHOEBRIDGE:** You do not know?

**Mr SCIPIONE:** No, I have told you that they were aware of it and notified. I am assuming that they have certainly kept more than a passing interest in it, but right now and at this stage up until yesterday we were interested in looking at that from a criminal perspective. Of course, he was convicted in a court by the NSW Police Force yesterday. Mr Shoebridge, let me just say this: I find the behaviour that was exhibited there abhorrent.

**Mr DAVID SHOEBRIDGE:** I and most people in New South Wales share your abhorrence. That is why we want an independent investigation.

**Mr SCIPIONE:** Correct, and there is nothing more we can do short of putting the perpetrator before a court. Of course, the courts have backed that in. What will fall out of that is any action that we take departmentally. Let me assure you, if there is an option that comes before me I will exercise that option with all of the vigour that I can.

**Mr DAVID SHOEBRIDGE:** Could I then ask you about any disciplinary action that has been taken in relation to the four police officers who were referred to the Director of Public Prosecutions for criminal charges following the report on Adam Salter by the Police Integrity Commission. What has happened in relation to the sergeant, the two constables and the leading senior constable? Are they still on the books?

**Mr SCIPIONE:** In terms of the officers you are talking about in what we called the Calyx investigation, you are aware that those matters—you are talking specifically about the four officers that were the subject of referral, I assume, by the Police Integrity Commission to the Director of Public Prosecutions?

**Mr DAVID SHOEBRIDGE:** Correct. I would read their names, but—

**Mr SCIPIONE:** Thank you. I acknowledge that we have not read their names for all the right reasons. In terms of those particular officers, they are in the workplace but they are not performing the duties that you might think. Let me talk about the first. The sergeant, currently, is performing alternate duties—non-operational role; taken from an operational role, placed into a non-operational role. Certainly he is working as what we call a crime coordinator but not out there, not engaged as previously that person would have been, and of course we also have strict command control in terms of monitoring performance in the workplace.

Again non-operational, one of the other officers; again, remains non-operational; taken from operational duties, placed into a non-operational duty in an exhibit room, and again we are monitoring at command level what they do and how they do it, but not engaged with the public and certainly not engaged in any of the duties they were prior to this event. One of the others, again, is in a licensing role. Now listen, this officer is not permitted to be the informant on any matter, so cannot even get involved in a prosecution; only to perform duties under supervision, so strict supervision, and working in predominantly administrative roles, again under regular command contact so well monitored. The fourth officer, again, non-operational role; permitted to perform inside duties, but not on the street, not on the road, not in the car and, again, strictly monitored.

**Mr DAVID SHOEBRIDGE:** But commissioner, the findings against them went to their integrity, to them lying on oath in a series of oversight bodies. It is not a question about operational/not operational. Their fundamental integrity has been questioned and questioned in damning reports. How are they still serving on active service in the NSW Police Force until that has been resolved?

**Mr SCIPIONE:** Mr Shoebridge, you are one of the strongest advocates I have ever heard for people being afforded procedural fairness.

**Mr DAVID SHOEBRIDGE:** Correct.

**Mr SCIPIONE:** In industrial terms, for me to take any action against any officer, they need to be given those same opportunities, procedural fairness.

**Mr DAVID SHOEBRIDGE:** Have you started that for these officers, commissioner? Have you started that?

**The Hon. TREVOR KHAN:** Point of order: Mr Shoebridge has clearly gone on to a completely different line of argument to that which he was on before. I do not in any way belittle the importance of the

questions, but he clearly has gone past his time allocation. I am wondering: Is he simply to have carte blanche over all other members of the Committee while he pursues this?

**ACTING CHAIR:** No. I rule that he will not have carte blanche. I reject that suggestion.

**Mr DAVID SHOEBRIDGE:** Thank you.

**ACTING CHAIR:** What I was prepared to do was allow a new line of questioning, or an extra question. Please bring this current line of questioning to a conclusion.

**Mr DAVID SHOEBRIDGE:** I will, and I appreciate that. Have you started the 181D process, those disciplinary processes with these four police officers against whom these major integrity findings have been made?

**Mr SCIPIONE:** The 181D process, as you call it, only commences when, during the course of an investigation, a decision is made by a complaints management team that it reaches that threshold. Now, again, these people are currently the subject of referral by the Police Integrity Commission [PIC] to be dealt with potentially criminally.

**Mr DAVID SHOEBRIDGE:** But lying to the Police Integrity Commission must meet that threshold. Lying on oath must meet the threshold for a police officer's integrity, surely.

**Mr SCIPIONE:** Certainly the Police Integrity Commission does not determine guilt or innocence in their determinations. They only make recommendations. They do not determine guilt. That is why they forward matters to the Director of Public Prosecutions [DPP]. That is why they actually refer matters back to me for consideration of action. For us to actually take the next step, we need to conduct our own investigation. Certainly in terms of some of the people involved in that matter, there are currently investigations underway to ensure that we can comply with what is required and that is, particularly in my role, making a determination under part 8A of the Police Act when it comes to managing complaints. We need to go through a process. We are doing that, certainly in terms of some of those people. With some of the others, we are waiting for the Director of Public Prosecutions to make its determination. Then of course we may well be in a position whereby the matter will be returned to me and then I can deal with it. But at this stage, we are going to afford them the necessary procedural fairness that they are entitled to, just like you and me.

**ACTING CHAIR:** Thank you, Commissioner. Minister, the community is fed up with criminals shooting up houses and shooting each other. There is a claim made in the *Daily Telegraph* today that fewer than one in four shooting incidents last year resulted in an alleged offender being referred to court. I see that you are calling on the Federal Government again to crack down on border security—something that the Shooters and Fishers Party has been advocating for a long time. I can tell you that legal firearms' owners, who do not break the law and do not shoot up houses every night, are sick and tired of being somehow linked to these criminals because they do own firearms. Minister, what feedback have you got back from Canberra about tightening our borders? What are the police in New South Wales doing about these shootings?

**The Hon. MICHAEL GALLACHER:** I thank you for the question, Acting Chair. There has been a lot of criticism of police, particularly by the Opposition—that latent criticism that the streets are out of control and losing the war. It is an extension of a complaint, or indeed a criticism, of the Police Force for not doing more, as they see it, to combat the scourge of gun crime in our community. Seeing as this topic has been raised, I would like to take the opportunity to put on record some of the facts. I think the facts speak for themselves about what is being done in New South Wales about gun crime. First it needs to be stated clearly that the Police Force, backed by the Government—and I have to say backed by members of the crossbench, or some members of the crossbench, particularly the Shooters and Fishers Party—is able, professional and most of all committed to fighting criminals who have guns. Despite what the Opposition might say, the Police Force is having real success.

The Police Force took more than 9,000 guns, including 729 handguns, off our streets last year. Operation Apollo, established in February this year, has made 371 arrests already. Operation Spartan has made 732 arrests, and Strike Force Raptor has made nearly 2,200 arrests. The Director of the Bureau of Crime Statistics and Research, Dr Don Weatherburn, has briefed the Commissioner and me on trends in gun crime—where it happens and when it happens. We know from Dr Weatherburn that gun crime fluctuates significantly. It typically rises quickly and drops away again. He told us that in the 17 years from 1995 to 2012, the peak period

of all recorded non-fatal shootings other than discharging firearms into premises was in fact around 2001. Despite the hysteria from the Opposition, the peak period was in fact 2001. Of course it was Dr Weatherburn—who all sides would recognise is truly independent and someone who says it as it is, and this is his quote not mine—who said earlier this year, "New South Wales is a far, far safer place than it was in 1990 or 2000."

Of course there are a number of reasons for this drop in violent crime, but we must credit the effort of the NSW Police Force in that regard. Investigating a drive-by shooting is not easy. There are often no witnesses. Victims may not cooperate. Forensic evidence like bullet casings may have been taken from the scene. Despite these challenges, it is to the NSW Police Force's great credit that through a range of investigative techniques and often with the assistance of the New South Wales Crime Commission it is making hundreds of arrests and disrupting criminal networks and activities. Again, despite the hysteria from the Opposition that things are out of control and that nothing is happening, it really is an insult to the men and women in blue who sit beside me today and the personnel they represent, who go out there every day, make the arrests, get in the face of the crooks, take a zero tolerance approach to these people, to then read in the papers or hear on the radio criticism like, "Oh, we're losing control. They're not doing the job." It really is quite an insult.

Operation Apollo has also seized illegal drugs with an estimated value of more than \$500,000 and more than 80 firearms. Operation Spartan, as indicated, has seized and located 57 firearms and searched 7,345 people. It is not an easy task because each one of those people is an individual. Not all of them are going to say, "Yeah, okay, go your hardest." There is a degree of conflict quite often in that regard. They have also searched just under 3,000 motor vehicles. Strike Force Kinnarra seized 15 firearms and 2,500 rounds of ammunition and drugs with an estimated street value of approximately \$835,000. Yesterday I am sure members would have seen what I saw. I was shocked yesterday at what I saw.

Weapons that the police were displaying yesterday included silencers, night vision goggles, machine guns, thousands upon thousands of rounds of ammunition held up in a safe vehicle by an outlaw motorcycle gang—not a safe house, but something that they can move around. It was parked literally metres from where we are now in a public car park in Castlereagh Street. That is where they house their weapons. It was not Customs that found them because the police said yesterday that all these weapons are imported. It was not Customs or the Australian Federal Police; it was the men and women who keep getting criticised by the Opposition for losing control of the streets, together with the Crime Commission, that did the job and they are doing it damn well.

**ACTING CHAIR:** Having said that Minister, do you support tougher sentencing for criminals who use guns in crime? In the light of the shootings, would the Government reconsider supporting my bill which is ready to go and which provides an additional sentence for the use of a firearm in the commission of an offence?

**The Hon. MICHAEL GALLACHER:** There is no doubt that there is a debate within government, as there is within the community, about what needs to be done to address this issue. I look forward to the introduction of your bill and the opportunity to look at it in greater detail. But of course, it is part of a bigger debate: How do we stop the flow of guns coming through to our streets? I get criticised by Opposition members because I had the temerity to suggest that these imported guns somehow were coming through our borders. Sadly, they are. Today we heard of The Greens' proposition. Senator Milne has come up with an absolute ripping suggestion. She wants to introduce a buyback scheme. I understand she wants to put aside approximately \$350 million basically to encourage people to come forward. But of course, talking about the guns that are being used on our streets, the illegal handgun of choice, the Glocks for example, and the other handguns that are being used by outlaw motor cycle gangs—

**Mr DAVID SHOEBRIDGE:** You forgot the ban on semiautomatics that came with that too, which you will not address.

**The Hon. MICHAEL GALLACHER:** The ban on semiautomatics? See what the Greens want to do?

**Mr DAVID SHOEBRIDGE:** Weapon of choice.

**The Hon. MICHAEL GALLACHER:** The Greens want to take the semiautomatics off the police, because that is the gun they carry—the semiautomatics.

**Mr DAVID SHOEBRIDGE:** That is not what the bill provides and you know that. That is not the recommendation.



**The Hon. MICHAEL GALLACHER:** They want to strip the guns off the cops.

**ACTING CHAIR:** Order!

**Mr DAVID SHOEBRIDGE:** You are deliberately misleading the Committee.

**The Hon. MICHAEL GALLACHER:** They want to take the tasers off the cops; they want to take capsicum spray off the cops; they want to take everything off the cops. "Hug a crook" is the motto of the Greens for this Federal election. Show them some love, sing kumbaya and, you know what, those bikies will roll over. These people have spent too much time in the exhibit room. They need to get out really quickly and get onto detox.

**ACTING CHAIR:** Just one more question from me at the moment.

**Mr DAVID SHOEBRIDGE:** You should not laugh about occupational health and safety issues.

**ACTING CHAIR:** What has been the impact of the legislative changes to the police death and disability scheme? Can you explain that to us please?

**The Hon. MICHAEL GALLACHER:** As I said at the outset, it was always about the wellbeing of police; it was always going to be about the wellbeing of police. It was always going to be about ensuring that police could regain their pride, rebuild their lives and get back on their feet rather than relying on the previous Labor Government's approach to injured cops, people with a psychological impairment. Its approach was to dangle a golden carrot in front of them, they would take the money, they would go away and the Labor Government would wash its hands of any responsibility.

Of course, the previous Government established the death and disability scheme for police back in 2005. It was intended to provide compensation to police officers employed after 1988 who were forced to leave the NSW Police Force due to injury. The scheme quickly became unsustainable financially and, more importantly, morally and operationally. Of greatest concern is the fact that the scheme was designed to encourage officers to leave work due to injury rather than supporting officers' rehabilitation and return to employment, either within or outside the NSW Police Force.

When we came to government around 600 to 800 police officers were on long-term sickness benefits in the NSW Police Force at any given time. The turnover in the NSW Police Force was high, with large numbers of officers medically discharged each month, with the NSW Police Force struggling to replace them. The projected expenditure for 2011-12 for the death and disability scheme and workers compensation had increased to \$781 million and was approaching 50 per cent of the total police salaries at the time which is quite significant. To put it simply, the scheme was unsustainable and required urgent reform, not for the sake of the budget but more importantly operationally for the NSW Police Force and also for the injured officers. In essence, this scheme just offered, as I said, a big cheque—a sip from a poisoned chalice. But once they sipped basically they would be unemployable for the rest of their lives. Because they had been off for two or three years when they went to a prospective employer who asked, "Where have you been for the past few years?" they would have to reply, "I've been off because of psychological problems for the past two or three years" and they would have been told, "Thanks for coming. Better luck with your next job interview."

We have started to see a significant turnaround in bringing police back to work by addressing this issue through injury management. A lot of credit has to go to Deputy Commissioner Burn and now Mr Hudson in his role for doubling their efforts and showing support for police at the early onset of these types of injuries that impacted on them. The other significant issue is retention. We have been accused of cutting classes and all the rest of it. We heard from the Opposition, through the media, that we were scrapping classes. Classes are predicated on departures. What we became used to under the previous Government was a massive number of police—70 to 80—walking out every month. We had huge classes because we were continually trying to fill the holes. Of course, with our retention statistics we are now seeing a reduction in classes and we are staying on track in relation to our election commitments. We are balancing the two needs.

The other thing we are doing—for which the Opposition will not give us credit—relates to those who have suffered as a result of the tough nature of policing. After many years, senior constables and sergeants are now being given the assistance and support that they need to keep them in their jobs as they are the mentors of the future. We are retaining constables and senior constables who are furthering their careers in the NSW Police

Force and who are now mentors and trainers. They are not walking out as they did before; they have pride in their lives and their career opportunities. I commend the NSW Police Force for the way in which it has been dealing with reforms to the death and disability scheme. When I was criticised in December 2011 for making these changes, there was a degree of scepticism by those opposite, in particular The Greens that it was about the money. At a recent dinner to celebrate the life of Bryson Anderson I was asked to sit at the Police Association table because it, too, realises that this is all about the wellbeing of cops.

**Mr DAVID SHOEBRIDGE:** You are verballing the Police Association now.

**ACTING CHAIR:** I take it from your statement that you are still a member?

**The Hon. PENNY SHARPE:** Have they readmitted you?

**The Hon. MICHAEL GALLACHER:** I am playing hard to get.

**The Hon. STEVE WHAN:** Commissioner, I have two quick questions that you can take on notice. I asked you earlier to take on notice a question relating to the number of people on parole who are being targeted for gun crimes.

**Mr SCIPIONE:** On parole, yes.

**The Hon. STEVE WHAN:** Can you include in your response the number of people who are on bail?

**Mr SCIPIONE:** On bail as well?

**The Hon. STEVE WHAN:** Yes. You mentioned earlier that you had made 400 orders around consorting laws. Could you also let us know on notice how many of those people were on parole or on bail?

**Mr SCIPIONE:** Sure.

**The Hon. PENNY SHARPE:** I know the Minister would be shocked that I am asking a question about the Police Transport Command. Minister, in what circumstances do you think passengers should be calling 000 when they are travelling on trains?

**The Hon. MICHAEL GALLACHER:** That is up to the individual I suspect. If an individual is fearful of his or her safety and needs that advice it would fall to each individual, not just when they are travelling on a train but also as they are moving in the community. We teach children from an early age that in the case of an emergency and when they are fearful of their safety or security, or the safety and security of someone else, they should ring 000.

**The Hon. PENNY SHARPE:** Basically emergency and fear—obviously something that they believe is very serious?

**The Hon. MICHAEL GALLACHER:** It is up to each individual. What one person considers a dangerous situation might not be considered dangerous by another person. What we do not want to be doing is discouraging people from ringing 000 but at the same time the good thing is, of course, that the 000 operators are very skilled at working out what is an emergency when they receive a call as they receive so many calls.

**The Hon. PENNY SHARPE:** I was on a train yesterday when the guard made an announcement to the effect that if any passenger saw anything untoward, including people smoking on the platform or on the train, graffiti, or if they were evading fares, their best course of action was to call 000 to report it.

**The Hon. MICHAEL GALLACHER:** I did not know that. I was not aware of it but when you ask that question of the Minister for Transport I look forward to hearing the answer. Is that common procedure now?

**The Hon. PENNY SHARPE:** The announcement that is being made on trains at the moment is that if you see someone smoking on the platform you should call 000. Do you think that is a reasonable use of 000?

**The Hon. MICHAEL GALLACHER:** I will take your question on notice. I have not heard about that and I would rather take the question on notice.

**Mr DAVID SHOEBRIDGE:** He does not take trains.

**The Hon. STEVE WHAN:** Too many ministerial cars.

**The Hon. PENNY SHARPE:** Commissioner, I assume you would be concerned if that was the advice being given to passengers on trains?

**Mr SCIPIONE:** I would be keen to have a look at that. Can I just clarify that it was, "If you see someone smoking on the platform ring 000"? I would not think that was appropriate.

**The Hon. PENNY SHARPE:** "If you see any untoward behaviour." The list included smoking and graffiti. It was a long announcement that basically said if you are concerned call 000.

**Mr SCIPIONE:** That does not sound appropriate. I would not see it as a useful way to engage 000 realising that when they get calls they need to make sure that they manage them very quickly. We do not like to see that 000 number being clogged.

**The Hon. PENNY SHARPE:** Certainly. The issue really is that with the loss of transit officers there does not appear to be a way to divert more minor issues directly to the Police Transport Command rather than going through 000. Would you be willing to have a look at that and to let me know the procedure?

**Mr SCIPIONE:** Certainly. I have made a note of having a look at 000 "if you see someone smoking on the platform."

**The Hon. PENNY SHARPE:** Thank you. Minister, can you confirm that changes are being made to the Police Transport Command roster that means no Police Transport Command officers will be rostered at Central station from midnight until 8.00 a.m. from Sunday to Thursday nights?

**The Hon. MICHAEL GALLACHER:** We can do it one of two ways. I can take that on notice, which I am happy to do, or you could ask because on this occasion you have operational police here who might be in a position—

**The Hon. PENNY SHARPE:** I am willing to ask anyone who can answer this question. I am happy to direct it. Is that you, Mr Kaldas?

**Mr KALDAS:** It would be. Can you repeat the question?

**The Hon. PENNY SHARPE:** My question is: Are Police Transport Command officers going to be rostered at Central station between midnight and 8.00 a.m. from Sunday to Thursday nights?

**Mr KALDAS:** I will have to take it on notice, check and get back to you.

**The Hon. PENNY SHARPE:** Can you confirm that the number of officers at Central station on Friday and Saturday nights—obviously busy and difficult nights—will be between only 4 and 6 officers?

**Mr KALDAS:** Again, I will have to take it on notice, check and get back to you.

**The Hon. PENNY SHARPE:** Minister, do you think that sounds like an adequate number for Central station on a Friday and Saturday night?

**The Hon. MICHAEL GALLACHER:** You are asking me to guess. I do not know the operational needs of police. I do not know what other supplementary resources are working in and around that area. Therefore, I would prefer not to participate in a hypothetical.

**The Hon. PENNY SHARPE:** I accept that the work of the Police Transport Command can be very difficult, particularly on Friday and Saturday nights when those officers are dealing with many intoxicated people trying to get out of the city in particular. In fact, they play a very important role in getting people out of the city and out of trouble. Are you concerned or have you had any reports of concern about assaults on officers?

**The Hon. MICHAEL GALLACHER:** I have not had. You have asked me?

**The Hon. PENNY SHARPE:** Yes, I am asking you. I will ask Mr Kaldas in a moment.

**The Hon. MICHAEL GALLACHER:** I have not had reports that I can recall at this moment of assaults on officers. But I have to say, sadly, it is not surprising that a transport police officer would be assaulted in the same way any other police officers get assaulted by virtue of the nature of their police work.

**The Hon. PENNY SHARPE:** That is because it is very front-line and, as I said, they are dealing with people who are pretty charged up, as we know.

**The Hon. MICHAEL GALLACHER:** Not necessarily always charged up. People do not necessarily agree with the course of action a police officer can take and quite often can find themselves in a degree of anger where they take it out on the officer.

**The Hon. PENNY SHARPE:** None of which is acceptable. Mr Kaldas, are you aware of concerns about assaults on Police Transport Command officers on Friday and Saturday nights?

**Mr KALDAS:** No, I am not aware of a spike but, again, to be accurate I prefer to take it on notice and get back to you.

**The Hon. PENNY SHARPE:** I have a copy of the July newsletter from the commander of the Police Transport Command. His report states:

Please note of concern to me is the number of police being assaulted in their duties and lack of appropriate action. If you're unsure about your powers—

He then, sensibly, refers officers to that. If the commander is concerned about that, I would like information about what action is being taken in relation to this matter.

**Mr KALDAS:** We can certainly get you the statistics but, logically, if he is the commander, he would be concerned about one officer being assaulted.

**The Hon. PENNY SHARPE:** It seems to me that there is more than one happening and it seems that he is concerned about the action that is being taken. I want to ensure that the issue of Police Transport Command officers being assaulted on the job is taken seriously and action is being taken to make sure that is minimised. Minister, or perhaps Mr Kaldas, is the authorised strength of the Police Transport Command at 431? Is that right?

**Mr KALDAS:** Yes.

**The Hon. PENNY SHARPE:** What is the operational strength as at today?

**Mr KALDAS:** It is 328.

**The Hon. PENNY SHARPE:** So we are still about 90 officers under strength?

**Mr KALDAS:** Yes. It is at just over 75 per cent authorised strength.

**The Hon. PENNY SHARPE:** That is a deterioration since the end of last year.

**Mr KALDAS:** It is only because they have had extra numbers added as at the first of this month and, obviously, there is a lag between when the numbers are allocated to them and they are recruited.

**The Hon. MICHAEL GALLACHER:** You are aware that we are increasing the numbers and as a result you have that lag. We had an extra 30 officers.

**The Hon. PENNY SHARPE:** I am aware of the rollout as you are decreasing the 140 transit officers from the network. So there are fewer on the train network than ever. Obviously, that is a question I will ask the Minister for Transport. Given the amount of work going into trying to recruit people to the Police Transport

Command, why are you still only at 75 per cent strength, especially given that you have done a range of things, including making the positions hard to fill? I could go through a whole list with which you are familiar because you provided me the information. What else is being undertaken to recruit to this command?

**The Hon. MICHAEL GALLACHER:** One of the challenges, of course—

**The Hon. PENNY SHARPE:** I am not asking you, Minister. I am asking Mr Kaldas.

**The Hon. MICHAEL GALLACHER:** But as Minister I can answer the question.

**The Hon. PENNY SHARPE:** You will cut in on this one? Okay.

**The Hon. MICHAEL GALLACHER:** No, I am happy for the deputy commissioner—

**The Hon. PENNY SHARPE:** It is operational, so you can answer this one? Okay.

**The Hon. NATASHA MACLAREN-JONES:** Point of order.

**ACTING CHAIR:** Order!

**The Hon. MICHAEL GALLACHER:** The facts speak for themselves. Under the previous Government, sadly, this was an area of policing that was seen as a bit of a backwater to people's careers.

**The Hon. PENNY SHARPE:** Minister, I have received this answer from you.

**The Hon. NATASHA MACLAREN-JONES:** Point of order.

**The Hon. PENNY SHARPE:** This is well outside the question I have asked.

**The Hon. NATASHA MACLAREN-JONES:** Point of order: The Hon. Penny Sharpe has taken quite an amount of time making statements before asking questions. She has just asked a question. I ask that she have the decency to allow the Minister to answer it because I am quite interested in the answer.

**The Hon. PENNY SHARPE:** I have heard this answer before in the House about three times.

**The Hon. NATASHA MACLAREN-JONES:** I have not heard the answer.

**The Hon. PENNY SHARPE:** It does not go to the matter.

**ACTING CHAIR:** Order!

**The Hon. PETER PRIMROSE:** The question was put to Mr Kaldas.

**The Hon. PENNY SHARPE:** That is right.

**The Hon. MICHAEL GALLACHER:** I am happy for Mr Kaldas to speak in relation to this, but I do not believe he is in a position to make the observations that I can—

**The Hon. STEVE WHAN:** You mean the political points you want to make.

**The Hon. MICHAEL GALLACHER:** —in relation to the neglect of this area of policing under the previous Government.

**The Hon. STEVE WHAN:** I have not seen anybody on a train since you changed it.

**The Hon. PENNY SHARPE:** That is not what we are talking about. This is your reform, Minister.

**ACTING CHAIR:** Order! I will allow the extra time for Mr Kaldas to answer if he wishes.

**The Hon. MICHAEL GALLACHER:** The previous Government entertained the idea of a command as we have put in place now but, quite simply, it did not have the courage to proceed with it.

**The Hon. PENNY SHARPE:** That is absolute rubbish.

**The Hon. MICHAEL GALLACHER:** It left it. It neglected the area despite the claims from—

**The Hon. PENNY SHARPE:** Have you read the Noetic report? I doubt it.

**ACTING CHAIR:** Order!

**The Hon. MICHAEL GALLACHER:** —quite simply the entire public transport community saying they wanted to see more police on our public transport system.

**The Hon. PENNY SHARPE:** And they are seeing fewer than they have ever seen.

**The Hon. MICHAEL GALLACHER:** Of course, we are now building—

**The Hon. STEVE WHAN:** Come on, Minister. I have not seen one in the last year on the trains.

**The Hon. MICHAEL GALLACHER:** Yes, because you only travel by plane.

**The Hon. STEVE WHAN:** Every morning I am on the train.

**The Hon. MICHAEL GALLACHER:** First class in the chairman's lounge.

**The Hon. STEVE WHAN:** This is not a fiction convention, Minister. Get on with some facts.

**ACTING CHAIR:** Order!

**The Hon. MICHAEL GALLACHER:** We do not have air marshals. The fact is that we are now giving police a career opportunity with a separate command. There are chances for—

**The Hon. PENNY SHARPE:** But it is not working, Minister, is it, because you cannot recruit to the command?

**The Hon. MICHAEL GALLACHER:** As you can hear from the police, the significant numbers are being put into the authorised strength positions. The commissioner and I continue to talk about ways—again, despite the neglect of the previous Government—to ensure that officers realise that we are real about this command; they will have a career into the future. Of course, I suspect their concern will be that under a Labor Government into the future—2030 or 2040, whenever they come back to government—it might be disbanded.

**ACTING CHAIR:** Mr Kaldas, do you wish to add anything?

**The Hon. PENNY SHARPE:** Mr Kaldas, perhaps if I put a specific question. In June 50 positions were advertised. How many of those have been filled?

**Mr KALDAS:** I cannot recall the exact number that we filled.

**The Hon. PENNY SHARPE:** Could you take that question on notice and get back to me?

**Mr KALDAS:** Certainly.

**The Hon. TREVOR KHAN:** Point of order: A resolution was passed that the Police portfolio was to be examined from 2.00 p.m. until 3.10 p.m. and the Emergency Services portfolio from 3.10 p.m. until 3.50 p.m. That was part of the arrangement with Government members giving up their question time. It is now 3.18 p.m. Do I take it that we are cutting into the Emergency Services allocation of time by continuing the questioning of police?

**ACTING CHAIR:** It can be taken two ways. First, I will not have any further questions. Second, it will not cut into the Emergency Services or any other time. I am of the view that if a line of questioning is useful, we should continue. Government members had the option to ask questions but chose not to do so.

**The Hon. TREVOR KHAN:** That is right, but the resolution of the Committee set down the time frame.

**ACTING CHAIR:** I understand that. Are you dissenting my running of the hearing?

**The Hon. TREVOR KHAN:** I am pointing out that we agreed on a course of action and we have extended beyond it.

**ACTING CHAIR:** I understand that and I have made my ruling. We are almost done. I remind you that you elected to ask no questions.

**The Hon. PENNY SHARPE:** Mr Kaldas, as I said, there is a long list of ways in which you are trying to recruit to the Police Transport Command. Are you considering requiring all probationary constables to go to the PTC before they go into local area commands?

**Mr KALDAS:** It is something we looked at but discounted for the time being. It certainly was something worth considering, perhaps having them there for a year or so, but for the time being we are not doing that.

**The Hon. PENNY SHARPE:** Does that mean for the Police Transport Command there will not be a three-year tenure but you are looking at shorter tenures to get people in there as much as possible?

**Mr KALDAS:** At the moment that is what we are looking at. I make the point that those security officers who are being displaced or replaced have managed to galvanise their union and supporters in such numbers in the media that there has been an enormous amount of very unfair criticism levelled at the police who have taken on the role of Police Transport Command officers. This is a new command. It is an exciting place. We have a lot of vision about where it is going to go. We are well funded and well resourced, and it will go ahead. It is simply a matter of being allowed the time to set up properly and appropriately as they go forward.

**The Hon. PENNY SHARPE:** I appreciate that. The issue for me is that commuters are left alone on trains and there are some very unpleasant things happening with no-one to help them.

**ACTING CHAIR:** Order!

**Mr DAVID SHOEBRIDGE:** My question is either to you, Commissioner, or to Deputy Commissioner Kaldas. It is about the 46 recommendations from the Ombudsman following the October 2012 report on tasers. Commissioner, you committed to reviewing all those recommendations to see which ones you would implement. Which ones have been implemented and which ones have you rejected?

**Mr SCIPIONE:** Thank you, Mr Shoebridge. I am happy to answer that question. You are saying that this arose from the Ombudsman's review?

**Mr DAVID SHOEBRIDGE:** Correct, and the undertaking you gave about the recommendations.

**Mr SCIPIONE:** Yes. In relation to the Ombudsman's report, there were a number of recommendations, as you rightly say. As of today we have implemented 27 of those recommendations. We have continued to revise the Taser Standard Operating Procedures [SOPs]. Two of the recommendations are partially implemented and they mainly relate to the commencement of the 2013-14 training years. Two of those recommendations will be implemented later in the year. Fourteen recommendations relating to the standard operating procedures by the Region Taser Review Panel will be completed by 22 August. In fact, in respect of the recommendations that flowed from the Coroner's recommendations in respect of Mr Curti, I have said that all those recommendations were accepted, and we have done that. There were only five recommendations there, but, as you know, I think recommendation 3 had multiple recommendations.

**Mr DAVID SHOEBRIDGE:** Have you implemented all of the Coroner's recommendations, Commissioner?

**Mr SCIPIONE:** Certainly at this stage, when we have reviewed the Coroner's determination in respect of that matter involving the death of Roberto Curti, recommendations 1, 2, 3, 4 and 5 were considered. I have indicated that I accept all those recommendations. I have certainly made my advice known to the Attorney General. In respect of recommendations 1 and 2, they have been fully implemented. They are in process, certainly in relation to those officers who were subject to those recommendations. In respect of recommendation 3 and 3 (a) particularly, we have dealt with the instruction on risk that is posed by positional asphyxia. It is now included in every use of force training manual, not just the matters dealing with taser, but in 32 manuals where we talk about use of force, positional asphyxia is addressed.

Every reality-based training scenario now has that information in there. In respect of cautionary information on multiple taser use, that appears in the guiding principle section of those procedures, and it is repeated with additional context in two other sections within those training documents. Whilst it is not accepted that there is a significant danger posed by the multiple action of oleoresin capsicum [OC] spray, the training will continue to emphasise that officers should spray, move and assess. We are taking it further than taser. We are talking about this whole notion of the use of other means by which we can deal with violent incidents. In respect of recommendation 3 (b), the term "exigent", which was about exigent circumstances—

**Mr DAVID SHOEBRIDGE:** Which no-one understood.

**Mr SCIPIONE:** Here is the problem. It has been replaced. We have replaced it with "exceptional circumstances". Everyone can realise that. But do you want to know why we have exigent circumstances within the document? It is because the national guidelines—not ours—for high-risk incidents use the term "exigent circumstances".

**Mr DAVID SHOEBRIDGE:** But none of the officers understood it.

**Mr SCIPIONE:** Yes, they do.

**Mr DAVID SHOEBRIDGE:** None of those who were examined before the Coroner's Court did.

**Mr SCIPIONE:** When you say "none of the officers", I reckon I could ask a few in this room and they would say they understand it.

**Mr DAVID SHOEBRIDGE:** Now.

**Mr SCIPIONE:** To make it abundantly clear, we have broken from the national arrangement and we have put in "exceptional circumstances", so we have met that requirement. Recommendations 3(c) and 3(d), the criteria for the use of taser, have been reviewed and updated to provide much clearer instruction on the mode of use—that is draw, cover and discharge—and the circumstances where taser would not be considered appropriate. That is covered in sections 7, 8 and 8 (1). In recommendation 3 consideration was given to the prohibition of taser use in Drive Stun, except for officer protection, but that was rejected. The recommendation from the Coroner was that I should consider it, and I did. The advice that I have received would suggest to me that there is a need for us to make available to officers the fullest range of tactical options to handle all the situations that they may confront. That said, the use of Drive Stun as opposed to probe discharge is discouraged for all actions—

**Mr DAVID SHOEBRIDGE:** In what way is it discouraged? It has been likened to torture.

**Mr SCIPIONE:** Having said that, when you are in close quarters and there is no other way to deal with it, then perhaps that is the only option they have, short of resorting to a firearm. From an officer's perspective, if you gave me an option of using a Drive Stun taser to prevent some horrible thing happening as opposed to a gun, I would take the taser if it was the most appropriate advice every time.

**Mr DAVID SHOEBRIDGE:** Have you limited it to exceptional circumstances then?

**Mr SCIPIONE:** What did we say? Exceptional circumstances?

**Mr DAVID SHOEBRIDGE:** Yes. Have you limited it to exceptional circumstances?



**Mr SCIPIONE:** We have had this discussion many times. Have you ever seen the damage done by a service Glock? Let me assure you that it is a much better option to have yet another alternative before going to a firearm.

**Mr DAVID SHOEBRIDGE:** Have you limited it as an alternative to firearms or other exceptional circumstances?

**Mr SCIPIONE:** No. When you say "as an alternative to firearms", that is a call that only the officer can make.

**Mr DAVID SHOEBRIDGE:** That is the proposition that you are putting to me. Have you limited it to that use?

**Mr SCIPIONE:** No, it is not limited. When I say it is not limited, the decision that is made by the officer at the time on the street is one that rests entirely with that officer. Recommendation 3—

**Mr DAVID SHOEBRIDGE:** We saw a variety of bad decisions being made about Drive Stun in the Roberto Curti matter, did we not? So what have you done to limit the use of Drive Stun tasers since then?

**Mr SCIPIONE:** Do you want me to talk about the recommendations?

**Mr DAVID SHOEBRIDGE:** Finish what you have done about Drive Stun tasers.

**Mr SCIPIONE:** It is discouraged for all but action at close quarters and certainly inappropriate use of Drive Stun. Any taser action that falls outside those SOPs or their intent is the subject of remedial action and in fact may be dealt with as a complaint. If you use it and it is used inappropriately, it will be dealt with.

**Mr DAVID SHOEBRIDGE:** Is it true that no officer has been formally disciplined for the misuse of a taser? If not, how many officers have been formally disciplined for the misuse of a taser?

**Mr SCIPIONE:** I am happy to take that question on notice, but did you want me to answer this question first?

**Mr DAVID SHOEBRIDGE:** I do.

**Mr SCIPIONE:** Recommendation 3, training in the use of force techniques, including taser, has been updated to reflect the outcomes of reviews and these revised operating procedures that I have talked about. There is a substantially redeveloped taser course. That commenced in July this year—last month—and that is now what we teach every officer. In recommendation 3 (g) it was concluded that probationary constables should be allowed to continue to carry tasers. Criminals do not discriminate between a long-serving officer and a junior officer. You might be placed in a position of crisis for a whole range of reasons—and let us face it, not every use of a taser is simply to safeguard or protect an officer.

Many of the uses are life-saving for persons who are displaying the behaviour when they are in situations where they may be considering taking their own life. No-one discriminates between, "I will only do that when there is an experienced officer" as opposed to a probationary constable. I would suggest it is not appropriate to preclude officers from doing what they have to do and to make available every tactical option and something on which they can draw down should they need to do so. As I have already said, in recommendation 3 (h) we have added training material to ensure the risk of positional asphyxia is addressed. It is in all use of force education, not just in what we are doing with tasers.

We have also implemented recommendation 4—an established procedure that is taught in training. Included in the procedures is that when a 000 call comes in to an operator he or she seeks any information that is available on the mental state of a person to the effect that the person is suffering from or has in the past suffered from a mental health concern. That information is then entered into the narrative on the police computer over the dispatch system and is then made available. It is that information that could be the difference in terms of making sure that these officers—

**ACTING CHAIR:** Commissioner, can I ask you to take the rest of that on notice?

**Mr SCIPIONE:** Whatever you prefer, Mr Chair.

**ACTING CHAIR:** It is a tremendously interestingly line of questioning but I am wondering how long it will take.

**Mr SCIPIONE:** I am just about to finish. Can I just finish it?

**ACTING CHAIR:** Yes.

**Mr SCIPIONE:** I need to indicate the mental health training, which is certainly part of what is really important—let me tell you the story there. We have trained over 1,000 front-line officers in what we call the four-day mental health intervention team training. It is acknowledged internationally as the best mental health training in the nation, so much so that the Australian Capital Territory has adopted it and many other police forces have bought the program. On top of that, as recently as this month we have had confirmation that we have secured well over three-quarters of a million dollars to roll out the next level of training to 13,500 officers in one-day mental health training. If you add to those the 1,000 we have who are supervisors, you will find that this organisation will be second to none when it comes to ensuring that we continue to invest in our officers so that they know how to deal with an ever-increasing emerging issue—that is, dealing with mental health in the community.

**Mr DAVID SHOEBRIDGE:** Could you give us a full response on notice to those other 46 recommendations from the Ombudsman?

**Mr SCIPIONE:** I will take that on notice.

**(The witnesses withdrew)**

**ACTING CHAIR:** We will now move to the Emergency Services portfolio.

**ROB ROGERS**, Acting Commissioner, NSW Rural Fire Service, and

**MURRAY KEAR**, Commissioner, NSW State Emergency Service sworn and examined:

**GREG MULLINS**, Commissioner, Fire and Rescue NSW, affirmed and examined:

**VICKI D'ADAM**, Acting Chief Executive Officer, Ministry for Police and Emergency Services on former oath:

**The Hon. STEVE WHAN:** Can I begin by congratulating Commissioner Mullins on his reappointment, and as your reward almost all my questions today will be directed to you.

**Mr MULLINS:** Thank you.

**The Hon. STEVE WHAN:** Can you tell me what the status of the document that the Fire Brigade Employees Union [FBEU] gained through a Government Information Public Access [GIPA] request titled, "Reallocation of Operational Resources"? It discusses different projects to reallocate operational resources and save costs and runs to 12 pages.

**Mr MULLINS:** There have been a number of GIPA requests by the FBEU. My understanding at the moment is that we are awaiting a decision of the Administrative Decisions Tribunal—there was a hearing on 3 June.

**The Hon. STEVE WHAN:** This is a document that you have provided.

**Mr MULLINS:** I am sorry.

**The Hon. STEVE WHAN:** It is titled, "Reallocation of Operational Resources". I want to know what the status of that document is, who wrote it and when it was written.

**Mr MULLINS:** The status of the document I have reported in an internal newsletter. It was a working document and it has a number of—not proposals—ideas in there. I believe it came from an area command in the metropolitan division. Some of those things I had not seen until the document came to light and was given to the FBEU. For example, there were plans for Pyrmont fire station to reduce staffing. It has no status. As I said, I was actually unaware of the document until it was released to the FBEU. I cannot tell you offhand the detail of everything that is in there but some things have been implemented, and they are a matter of public record. I have stated publicly that the vast majority of things in there which the FBEU was concerned about will not be implemented.

**The Hon. STEVE WHAN:** But some of the things in the document appear to have been implemented. Have you been through it and ruled in and out the various proposals in that document for the union?

**Mr MULLINS:** No, I have not. In a newsletter to all staff the Fire Brigade Employees' Union asserted that I was planning to reduce the safe and effective crewing level of station officers to three. I found that quite offensive given that I had fought hard for that in my earlier days as a firefighter and the safety of firefighters is something that is dear to my heart. They actually had a letter from me, which they have published on their website, in June last year stating that that was an issue that I would not countenance.

**The Hon. STEVE WHAN:** You are referring there to the proposal in this document which refers to low-risk stations and allowing minimum staffing to drop to two instead of four? Is that the particular proposal?

**Mr MULLINS:** That is correct.

**The Hon. STEVE WHAN:** So you have ruled that out?

**Mr MULLINS:** Yes.

**The Hon. STEVE WHAN:** Page 9 of the document identifies a proposal relating to single officer stations and 10 stations that exist around country New South Wales. One of those stations is in Casino where there has been some local concern because the station officer was not replaced when that officer went on leave. Given that, does that raise legitimate concerns that you are going to implement that recommendation to remove station officers in those 10 stations?

**Mr MULLINS:** I am at a disadvantage because I do not have the document in front of me. As I said, some of the things in that document have been implemented but not as a result of that document; through different planning processes. In relation to Casino we have written to the FBEU, we have been talking to them for months, trying to utilise those single station officer positions far more efficiently. To give you an idea, let us take the Southern Highlands. We have a station officer who sits at Bowral—we have Mittagong, Bundanoon and I am trying to remember the other town down there, we have four stations—and that station officer could assist the retained firefighters in those three or four stations but the FBEU demands that the person sit at Bowral fire station on their own and only work in the Bowral locality.

**The Hon. STEVE WHAN:** As I understand it there are 10 stations at which that arrangement applies—it is referred to in that document as an historic arrangement. Is it your intention to try to utilise those station officers as you have just described in the Bowral situation across a wider area in those 10 stations or are you doing something else?

**Mr MULLINS:** I believe one of them might be Camden, from memory. Camden would be quite different because it is metropolitan. There is no need to move that station officer around. The person would stay at the station. But in the regional areas, we believe that those officers can look after a wider area. It is actually putting back to the Fire Brigade Employees Union [FBEU] a proposal that they themselves came up with a number of years ago. But now it is a terrible idea because management has come up with it.

**The Hon. STEVE WHAN:** The document also proposes that within 12 months the hub concept should be rolled out to regional centres. The regional centres are essentially the ones where there is a 10/14 roster plus a retained crew. So that includes Tweed heads, Coffs Harbour, Lismore, Queanbeyan and Turvey Park amongst others. Is that something which you are considering—the hub model being that the 10/14 station takes a wider role around the region—and, if so, can you explain what that means given that, for example, in the case of Queanbeyan the nearest fire and rescue stations are 90 and 110 kilometres away.

**Mr MULLINS:** I point out that in the case of Queanbeyan, and you would know the area better than I do, there are also eight ACT Fire and Rescue stations in close proximity and many Rural Fire Service stations. What the hub concept involves is utilising full-time firefighters who work 24/7 in the major centres to support nearby fire stations. As you point out, in Queanbeyan that would not be practical because the distances involved are too far.

Places like Lismore, which has Casino just down the road, are now 24-hour operations. They could respond to a call-out in Casino very quickly. And they could go up the road to Alstonville and Goonellabah. It is about assisting with training; providing specialised capabilities, like hazardous materials response and rescue response; assisting the SES with storm damage and training the retained firefighters. We believe those full-time firefighters could play a better role in those regional areas. Are we pursuing that at this stage? No. We will consult the FBEU about that and the personnel concerned. It is not a huge item on our agenda at the moment.

**The Hon. STEVE WHAN:** Commissioner, you say that this paper came from within the organisation. What was the reason for papers being put forward? Were you asking for ideas on how to save funds or was this about a challenge that you have in servicing growth areas from existing resources?

**Mr MULLINS:** Back at the time that was written, and again I am at a disadvantage as I do not know the date of that—

**The Hon. STEVE WHAN:** It does not have a date. That is one of the questions I asked.

**Mr MULLINS:** Like every other agency we are faced with the labour expense cap. I was very transparent with the union. I wrote a lengthy letter to the union saying, "Here is the range of issues that we are looking at." I think just about all of the things I mentioned in my letter would be things that we have implemented already and that are in that paper. We asked the workforce to come up with ideas. I believe that this was the result of a planning session held in metropolitan operations. I think it was conducted in

Metropolitan East Area Command. That particular paper never made its way to me, because the executive team of the organisation had worked out a priority plan. So the status of some of those issues was quite different.

**The Hon. STEVE WHAN:** Is the priority plan of the executive team you have just mentioned publicly available?

**Mr MULLINS:** It is, because we have publicly implemented it. The things that we have done in the last 12 months are quite evident.

**The Hon. STEVE WHAN:** Minister, given that Fire and Rescue NSW, along with many other emergency services, faces the challenge of servicing areas, do you think it reasonable for them to have the same expenses cap? They are trying to service growth areas, and, in doing so, this means that they take away resources from existing areas where populations may remain the same and the demand remains the same.

**The Hon. MICHAEL GALLACHER:** Just because we share the emergency services with councils and the insurance sector that does not mean we are not obliged to ensure that these agencies are working efficiently. The Government's labour expenses cap direction requires all agencies to share the load in reducing expenses through labour cost savings. That includes various measures, such as tolling. Fire and Rescue NSW was able to achieve substantial savings and meet its budget this year.

This Government's saving targets are not about reducing services or cutting support for our emergency service agencies but rather making sure that expenditure increases for the sector are economically sustainable. The key to this of course is that the Government has decided, and I am sure you are aware of this, not to mandate the specific method for achieving employee savings.

The Commissioner, and in this case you have been discussing these matters with Commissioner Mullins, in the same way as the other commissioners, has the flexibility to develop and implement workforce strategies appropriate for the services being delivered.

**The Hon. STEVE WHAN:** Minister, are you aware of residential estates at North Lakes, Cameron Park, Hammersmith and Fletcher?

**The Hon. MICHAEL GALLACHER:** I know of a North Lakes but it is probably not relative to those areas.

**The Hon. STEVE WHAN:** These are all areas in between Holmesville and Minmi fire stations in the Hunter, and you are the Minister for the Hunter of course. These are residential developments which will see at least 4,000 new residences built. Given these developments, do you not think it is a very short-sighted decision to change the Holmesville fire station from a 10/14 station?

**The Hon. MICHAEL GALLACHER:** I thank the honourable member for his question and an opportunity to allay any concerns that the Opposition may have, and I would hate to think that they are trying in any way to develop a scare campaign in relation to this decision. The important facts are as follows. The Holmesville fire station was opened in May 2010, replacing the West Wallsend fire station. At the time of its planning and development, future urban growth was projected in the Holmesville area. It is important to note that future growth in that area was projected.

Sadly, that future growth, from 2010 until now, has not occurred at the pace at which the development was expected to take place. The recent Fire and Rescue NSW operational review concluded that the 24-hour staffing arrangement there would be better replaced by dayshift permanent staffing supplemented with retained firefighters, with the remaining 16 permanent firefighters utilised as relieving firefighters on dayshift to reduce overtime and keep retained stations in the Hunter online.

This view was also supported by the New South Wales emergency services review, which highlighted that the Holmesville fire station was notionally over-resourced and that there was potential to reduce staffing arrangements at that station. I will ask the Commissioner to address the Committee. I think it is important for the committee to hear about the operational aspects at Holmesville and what Fire and Rescue NSW have concluded in relation to the operational needs in that area.

**Mr MULLINS:** As the Minister said, we opened the new fire station back in 2010. It was placed in a better position operationally for what we thought would be future growth in the area. The information we are getting from the council's and the department of planning at the moment is that it could be 10 years before that projected growth occurs. The callout rate for the Holmesville fire station has stayed static at an average of 227 calls per year. This was handled by the retained crew for decades, and it was around the same level of workload. The workload is significantly less than just about every other fully retained fire station in Newcastle.

There are 21 fire stations in Newcastle. Nine of them are permanently staffed and 12 are retained. For example, New Lambton—there is Lambton and New Lambton—has over 700 calls per year and it is fully retained. The facts of the matter are that staff are not being utilised to the best use of the community. There are 1.6 house fires per year in the Holmesville-West Wallsend community. We can respond with a retained crew within our time standards, with backup from Cardiff fire station, Minmi fire station, Toronto and other places like that.

**The Hon. STEVE WHAN:** I remember fairly well that when there was a fair bit of controversy over the closure of Waratah fire station one of the things which helped to reach the agreement with employees at the time was the 10/14 rostering at the Holmesville fire station. That was something which was negotiated with the union. Why have you taken action in this case without negotiating with the employees?

**Mr MULLINS:** Quite simply because things change. If I could be clear on this, we have not taken the action. I have written to the Fire Brigade Employees Union [FBEU]. We have spoken to the staff at the station. The union became quite angry about that and wrote me a nice letter—I would call it—last weekend saying that I am not allowed to speak to their members about things that affect them, that they will do that.

**The Hon. MICHAEL GALLACHER:** Can you repeat that, please? You have been told that as commissioner you are not allowed to speak to them.

**Mr MULLINS:** I am not allowed to speak to the workforce because they are union members and the union will tell them what they want them to know, which is quite bizarre—but welcome to my world. To give you an idea, this is the union who agreed in 2011, after pocketing a pay rise, to station-based training. They reneged on that.

**The Hon. MICHAEL GALLACHER:** From memory, Mr Whan, you were responsible for that agreement. You actually signed off on that agreement.

**The Hon. STEVE WHAN:** Minister, I will come to you now. Do you recall writing to the member for Cessnock about Minmi fire station when there were issues raised about the inability of the station to get enough retained firefighters at times? As I understand it, in the letter to the member for Cessnock you said that he could be reassured because there was a 10-14 station at Holmesville that would cover any shortfalls at Minmi station. Should he be reconsidering the reassurance that he got from you?

**The Hon. MICHAEL GALLACHER:** I am glad that the member for Cessnock is here in the gallery.

**The Hon. STEVE WHAN:** He takes a strong interest in emergency services.

**The Hon. MICHAEL GALLACHER:** No, I can just feel the chill that is in here. But it is good that he is here because he is now reassured not by me but by the Commissioner, who is the person responsible to the people of New South Wales for the delivery of fire and rescue services in this State. I think the member for Cessnock is now in a position to leave this Committee hearing satisfied that the Commissioner has got these issues in hand. But I will ask the Commissioner to finish on the previous point that he was making in relation to the award, because I think it is important. It is important for the Committee to hear that.

**The Hon. STEVE WHAN:** Minister, it is my turn to ask the questions.

**The Hon. MICHAEL GALLACHER:** But you cut him off inadvertently, Mr Whan.

**The Hon. STEVE WHAN:** Commissioner Mullins, it has been brought to my attention that there are issues with getting numbers of retained firefighters in the Hunter at the moment, particularly because many people travel away to work during the daytime. What actions are you taking to increase the number of retained firefighters in the area?

**Mr MULLINS:** It is a particular problem. I will go back to Minmi. I understand the member is here, so it is a good time to say what we plan to do with the staff from Holmesville. On a daily basis often people who live in Minmi work outside the area and are not available to respond as retained firefighters. We take that station offline because Holmesville can respond to that area within our response time standards. By going to a Monday to Friday roster at Holmesville with retained staff at night we know that they can respond at night and weekends and we will have a pool of 16 firefighters who can keep Minmi open every day and Paxton, Bellbird, Kearsley, Branxton, Merewether, Carrington and other fire stations that are regularly taken offline. It is actually going to improve response times across Newcastle, Lake Macquarie and the Lower Hunter. It is a far more responsible use of available resources. Nobody loses their jobs; they actually get a pay rise.

Again, around the time that station was opened we also opened a 10-14 station at Tingira Heights and at Toronto we went full-time. That is two additional stations, so there are three additional full-time stations in Newcastle. Again, the FBEU is not known for sticking to deals. There were two things from that award in 2011. We are still in the commission trying to get through the things they agreed to.

**The Hon. STEVE WHAN:** Mr Rogers, a very impressive team of people operate in fire control centres during fire operations. Amongst those key people are often Department of Primary Industries [DPI] staff, who help with stock and fodder. Have you seen or are you anticipating any impact from the departure of more than 30 DPI extension officers who have previously helped farmers with stock losses, fencing and fodder supplies?

**Mr ROGERS:** I have not been made aware of any concerns being raised so far in relation to that issue. I understand that in the last operations those livestock provisions worked quite well and the support, but nothing has been raised with me about that issue. I can take that on notice if you want me to look into it further, but I have no information.

**Mr DAVID SHOEBRIDGE:** Commissioner, I hear the exasperation and at times the sort of mocking tone that you adopt in relation to your negotiations with the FBEU. What are you personally doing to ensure that you have a positive relationship with the union and therefore a positive relationship with your workforce?

**Mr MULLINS:** There are two different questions there. Yes, I am very frustrated. I have been Commissioner for 10 years. I am an ex-union official but for some reason, because I am management, I am the enemy. All you need to do is read their website. If you read some of the defamatory things on their members' site you would be appalled. I have to say the union secretary is a good man and the union president is a good man and they try to moderate that. But it is extremely difficult dealing with them over any issue. We are constantly in the industrial commission.

**Mr DAVID SHOEBRIDGE:** I am asking what you are doing to get beyond that difficult relationship and what positive steps you are taking.

**Mr MULLINS:** I try to work with them. I visit stations every week, sometimes five days a week, speaking to the staff. There is exasperation amongst the staff. That is evidenced by some of the things that have gone through general meetings of the union that were overwhelming rejected by the membership, so it is on the public record. I know that a lot of things that are being done by management at the moment are unpopular with the workforce. That is why I am out there talking to the firefighters in their fire stations. We meet with the FBEU on a regular basis, but increasingly we just receive dispute notifications or we read it in their Friday newsletter. We learnt via the newsletter that Holmesville were taking us to the commission or starting a dispute.

**Mr DAVID SHOEBRIDGE:** My question is what you are doing to improve the relationship, not your long list of complaints. Are we getting to that?

**Mr MULLINS:** I try to consult with the FBEU but that does not mean letting them run the service, which is what they want to do. They want to stop us from training. They will not allow us to train rescue operators, so we are exposing people to post-traumatic stress order because we cannot get enough rescue operators trained. That was an award agreement that was reneged on. We are trying to reduce the impact of our disciplinary provisions on people, which is another award agreement they have reneged on. We are in the industrial commission trying to get that modernised, getting away from a court-martial system. We meet with them regularly. We have reform meetings I think on a monthly basis. I meet personally with the union secretary,

we talk on the phone. It is exasperating. You said I looked exasperated: I am. I do not know what else I can do. I have to say it is a 1950s mindset.

**Mr DAVID SHOEBRIDGE:** Who are you seeking advice from to try to deal with these issues, or are you just being exasperated?

**Mr MULLINS:** I will give you an example. We engaged a former vice-president of the Australian Council of Trade Unions [ACTU] and a human rights lawyer from South Africa who had gone into business doing a management by relationships thing with unions. This was some years ago now. We met with the executive of the union and the executive of the fire brigade at the time. They walked out. They said, "We can't be seen to be agreeing with management." The consultants said, "We have never met a union like it. We don't know how you operate." That is a long time ago and, as I said, I think we have got a progressive union secretary. I do not know how he goes with his executive team, but some of the things that come out of there are very difficult. We are in a difficult reform stage that requires a lot of discussion and a lot of consultation. I think on both sides of the fence we are not doing everything that we could do. I am not going to take the rap for it. I take about 50 per cent of the rap. But our relationship is not as good as it should be.

**Mr DAVID SHOEBRIDGE:** You have talked about what has happened in the past and difficult meetings in the past. What are you doing going forward? What proactive steps are you going to take to re-establish a positive relationship?

**The Hon. MICHAEL GALLACHER:** I think it is pretty evident that he is doing that. He is continuing to negotiate, continuing to meet and having these personal relationships with the executive or the secretary of the FBEU. I have met the secretary on numerous occasions. In fact, I met him and spoke to him briefly at the funeral of a fine officer down in the Sutherland shire. You get on well, but at the end of the day, if they are being undermined it puts them in a difficult position as well. But credit to the Commissioner, he is still keeping the door open despite how many times it has been slammed in his face, and he is a former union official. He is not someone who comes in there with a particular view against the union. He is one of theirs, but of course now he is in management, he is the enemy. That is a disgraceful situation.

**Mr DAVID SHOEBRIDGE:** I think you are a former member of the Police Association.

**The Hon. MICHAEL GALLACHER:** Yes.

**Mr DAVID SHOEBRIDGE:** You would hardly describe your relationship there as rosy, would you?

**The Hon. MICHAEL GALLACHER:** Actually, believe it or not, I have to say I would. I say we would.

**The Hon. PENNY SHARPE:** We went to dinner. We heard about the dinner.

**Mr DAVID SHOEBRIDGE:** The dinner—I forgot about the dinner.

**The Hon. MICHAEL GALLACHER:** We had dinner.

**The Hon. PENNY SHARPE:** They had the dinner and he was allowed to sit at the table.

**The Hon. MICHAEL GALLACHER:** We swapped meals of course, but we had dinner.

**Mr DAVID SHOEBRIDGE:** I am sorry, there was the dinner.

**The Hon. MICHAEL GALLACHER:** I swapped the meals.

**Mr DAVID SHOEBRIDGE:** Next time they will be one ahead of you on that—chicken.

**The Hon. MICHAEL GALLACHER:** I am on a diet.

**Mr DAVID SHOEBRIDGE:** Perhaps I will move on to another point.



**Mr MULLINS:** But can I assure you that I do try my best. I have tried numerous avenues. However, this relationship is based on a 1950s mindset that management are bad, the union is good. Senior officers who are still union members are just aghast at what they are accused of and the way they are treated by their own union.

**Mr DAVID SHOEBRIDGE:** On another point, the average age of the fire engine pumper fleet increased from eight years to 10 years between 2010-11 and what it is forecast to do in 2013-14. Can the people of New South Wales be comforted that that is safe, now that the average age is a decade?

**Mr MULLINS:** Yes, thank you. Look, we have worked very hard over the last decade to bring the average age of the fleet down. I think when I became commissioner, it was about 15 or 16 years. The maintenance costs were very high. We have reached the target. The target was 10 years. We did better than that. We went to eight years. Last year we decided to divert some capital that normally would go to fleet replacement to properties because we own a lot of the State's heritage. A lot of our fire stations are heritage listed and in much need of tender love and care. We have done millions of dollars worth of maintenance this year. We have bought land. We are planning for new fire stations in a number of areas. Now this year we are putting more money back into fleet, so we will keep it at around 10 years.

**Mr DAVID SHOEBRIDGE:** So you would expect in future budgets that your aim is to keep it at 10 years.

**Mr MULLINS:** Yes. It might go up to 10.8 or 11 or something or other, but it will not go much above that. We have planned that out but that was the target that we aimed for all those years ago.

**Mr DAVID SHOEBRIDGE:** You may have to take this on notice, but what is the average number of station closures that we are seeing across New South Wales on the weekend?

**The Hon. MICHAEL GALLACHER:** Are you talking TOL-ing, taken temporarily off line?

**Mr DAVID SHOEBRIDGE:** Correct.

**Mr MULLINS:** Taking stations temporarily off line?

**Mr DAVID SHOEBRIDGE:** That is right.

**Mr MULLINS:** Look, I can answer that. It varies, but the maximum—this is permanently staffed fire stations.

**Mr DAVID SHOEBRIDGE:** The phrase is take off line, but they are closed while they are offline.

**Mr MULLINS:** It is a maximum of eight. On many weekends, we have none. This is a good news story. When I say it is a good news story, I know that for firefighters some time ago the Auditor-General did an audit on sick leave on the sector and found that firefighters took more sick leave than anyone else. It has plummeted by 21 per cent since 19 November last year when we brought in temporary offline arrangements. What that says is what I have always known: Firefighters have huge hearts. They are there to protect the community. They are not there to line their own pockets or whatever. They do not like the arrangements, and this is one of the difficulties in that union relationship where I said, "Yes, I've got to take some of the rap for this. Of course I do—a relationship is two parties." I have made certain decisions. Now they are making sure their stations stay online and our sick leave is now mid-level—not the worst, not the best—and it is heading south. They are doing a fantastic job. Often on weekends we will have no stations offline because the firefighters are coming to work.

**Mr DAVID SHOEBRIDGE:** And you say that is because of improved sick leave in the service.

**Mr MULLINS:** It is directly due to that.

**Mr DAVID SHOEBRIDGE:** Have there been any occasions when there have been more than eight stations offline?

**Mr MULLINS:** Yes, there were. It was early on in the piece. It is a handful that I know of. There were mistakes.

**Mr DAVID SHOEBRIDGE:** Can you give details about that on notice—the stations, when the eight was breached?

**Mr MULLINS:** Certainly. But once they were discovered, they were rectified because the ceiling I put on it was eight fire stations. We could do 20 and not affect response times. But when we did the figures, we said eight is a safe number. I will not go beyond that.

**The Hon. MICHAEL GALLACHER:** How long have you been taking things offline?

**Mr MULLINS:** Since 19 November.

**The Hon. MICHAEL GALLACHER:** No, the practice.

**Mr MULLINS:** After an award in 2008. It was part of an arbitrated settlement for retained stations to come offline.

**The Hon. MICHAEL GALLACHER:** Okay.

**ACTING CHAIR:** Thank you, Minister, and thank you, officers. We will take a five-minute break and resume with questioning on the Hunter.

**(The witnesses withdrew)**

**(Short adjournment)**

**WILLIAM ANTHONY TATNELL**, Senior Regional Coordinator for the Hunter Region in the Department of Premier and Cabinet, sworn and examined:

**The Hon. PETER PRIMROSE:** Can you tell me what is the current population of the Hunter, and what do you expect it to be in 2030?

**The Hon. MICHAEL GALLACHER:** Look, in the last census, from recollection I think 2011, it was about 620,000 which, from memory, was a growth of about 5.3 per cent from previous figures of 569,000. I do not have the projected growth figures there, but if it remains consistent, then obviously that is fairly self-explanatory. But of course you can be assured that Newcastle alone, following the decisions that we have taken in relation to investment in that region and in the city in particular by the rebirth of that city, there will be significant growth in that area.

**The Hon. PETER PRIMROSE:** Do you expect the growth rate to be consistent until 2030?

**The Hon. MICHAEL GALLACHER:** Well yes, the Department of Planning is talking about getting close to 790,000. They are the experts in terms of planning, that is the advice they give me. I do not have that expertise within my ministry. I am guided by those that are paid for the future growth, to 2031 in fact, it is about 795,000.

**The Hon. PETER PRIMROSE:** Stockton's only petrol station has closed and now the nearest petrol station is a 25-kilometre return trip away. The previous petrol station was on Crown land, which is now the subject of a new lease agreement. Will the new lease agreement require the site to be used as a petrol station?

**The Hon. MICHAEL GALLACHER:** I have just quickly conferred with Mr Tatnell. I was not aware of that and I will take that on notice. I think that is an important issue for the people of Stockton, to ensure that we have an answer for them.

**The Hon. PETER PRIMROSE:** I appreciate that Minister. The O'Farrell Government is refusing to fund a Newcastle Art Gallery, despite it being classified by the Government in its own Hunter regional strategy document as a catalyst project for the renewal of the Newcastle central business district. You would agree that is a pretty dumb decision, would you not?

**The Hon. MICHAEL GALLACHER:** No, I do not agree it is a pretty dumb decision because at the end of the day we have a government that has committed to investing in a region an investment strategy the likes of which they have never seen and to be honest with you, to be getting it from a member of the Labor Party, particularly a Labor left member, that somehow we are missing an opportunity in the region, given the magnitude of the investment in that region, is quite hypocritical indeed.

**The Hon. PETER PRIMROSE:** Did you not promise to fund the art gallery before the election?

**The Hon. PENNY SHARPE:** A broken promise.

**The Hon. MICHAEL GALLACHER:** There has been quite a lot of discussion about the art gallery.

**The Hon. PETER PRIMROSE:** There was certainly before the last election by then Opposition Leader O'Farrell.

**The Hon. MICHAEL GALLACHER:** At the end of the day we have—

**The Hon. PETER PRIMROSE:** In the fullness of time, yes.

**The Hon. MICHAEL GALLACHER:** —made some significant investment decisions for that region and the local member, Mr Tim Owen, has been very, very vocal on a number of these issues, but the fact is—

**The Hon. PETER PRIMROSE:** Yes, he promised it too.

**The Hon. MICHAEL GALLACHER:** Well the fact is though, when you look at our track record in terms of investment, it really must make the Labor Party just grimace in pain—

**The Hon. PETER PRIMROSE:** So you are not going to fund it.

**The Hon. MICHAEL GALLACHER:** —when they think about the \$350 million that has gone into the Hunter infrastructure investment—

**The Hon. PETER PRIMROSE:** Minister, you have raised factional issues—

**The Hon. MICHAEL GALLACHER:** No, I have not finished yet.

**The Hon. PETER PRIMROSE:** Well, you just said you are not going to fund it.

**The Hon. MICHAEL GALLACHER:** You did ask a question about investment—

**The Hon. PETER PRIMROSE:** That was my question.

**The Hon. MICHAEL GALLACHER:** You did ask a question about investment in the region and I will take an opportunity—

**The Hon. PETER PRIMROSE:** No, I have asked you about the one particular item and you have said you are not going to fund it.

**The Hon. MICHAEL GALLACHER:** But you cannot look at the region in isolation, you have to look at the investment right across the region and I will take an opportunity—

**The Hon. PETER PRIMROSE:** No I have asked you a question about the Newcastle Art Gallery Minister and you are not going to fund it, yes or no?

**The Hon. MICHAEL GALLACHER:** I will take the opportunity to again recount—

**The Hon. PETER PRIMROSE:** Yes or no?

**The Hon. MICHAEL GALLACHER:** —\$350 million investment through the Hunter infrastructure.

**The Hon. PETER PRIMROSE:** You are not going to fund it, are you?

**The Hon. MICHAEL GALLACHER:** Plus the investment that will come through from the lease of the port with regards to the light rail. I am sure the Hon. Penny Sharpe must be so, so—

**The Hon. PETER PRIMROSE:** You are not going to fund it.

**The Hon. MICHAEL GALLACHER:** —excited, as we are, to see a rebirth of that city.

**The Hon. PETER PRIMROSE:** Minister, are you going to fund the Newcastle art gallery?

**The Hon. MICHAEL GALLACHER:** I have indicated to you—

**The Hon. PETER PRIMROSE:** You have said it was a catalyst project, not me.

**The Hon. MICHAEL GALLACHER:** —that quite simply we are committed to ensuring that—

**The Hon. PETER PRIMROSE:** Yes or no?

**The Hon. MICHAEL GALLACHER:** —there is capital investment—

**The Hon. PETER PRIMROSE:** That is a big no.

**The Hon. MICHAEL GALLACHER:** Education investment in terms of the law school, it is all happening in that city.

**The Hon. PETER PRIMROSE:** Minister, at the beginning of your response you raised issues about factionalism in your previous response. You are a factional opponent of Michael Photios, so you have not been lobbied by representatives of PremierState or met with any of its clients, and that is correct?

**The Hon. MICHAEL GALLACHER:** Is that a statement?

**The Hon. PETER PRIMROSE:** Is that correct?

**The Hon. MICHAEL GALLACHER:** What is that?

**The Hon. PETER PRIMROSE:** Is that correct?

**The Hon. STEVE WHAN:** Have you been lobbied by him?

**The Hon. MICHAEL GALLACHER:** Have I been lobbied, by whom?

**The Hon. PETER PRIMROSE:** Sorry Minister, I think you were chatting. You are a factional opponent of Michael Photios, so you have not been lobbied by representatives of PremierState or met with any of its clients. Is that correct?

**The Hon. MICHAEL GALLACHER:** I can indicate to you that I comply completely and totally with the ministerial guidelines so far as lobbyists are concerned.

**The Hon. PETER PRIMROSE:** Have you been lobbied by Michael Photios, that is correct, that statement?

**The Hon. MICHAEL GALLACHER:** Well you have just said that I have not and you said it as a statement. I will let your statement rest as it is.

**The Hon. PETER PRIMROSE:** Is that correct?

**The Hon. MICHAEL GALLACHER:** You have indicated that I have not met with him.

**The Hon. STEVE WHAN:** So you are endorsing that statement, are you?

**The Hon. PENNY SHARPE:** So you have met with Michael?

**The Hon. CHARLIE LYNN:** Check the register.

**The Hon. NATASHA MACLAREN-JONES:** Point of order: For the benefit of Hansard, a number of people appear to be yelling at the Minister. I am sure it is quite difficult for Hansard to record exactly what question is being asked and allow ample time for the Minister to respond appropriately.

**ACTING CHAIR:** I note the point of order. We will have one question at a time please.

**The Hon. PETER PRIMROSE:** I can understand people being confused by the Minister's response.

**The Hon. NATASHA MACLAREN-JONES:** No, I was saying people are confused by three members of the Opposition yelling at the Minister.

**The Hon. PETER PRIMROSE:** You are a factional opponent of Michael Photios—

**ACTING CHAIR:** Order! Please ask one question at a time.

**The Hon. PETER PRIMROSE:** —so you have not been lobbied by representatives of PremierState—

**The Hon. CHARLIE LYNN:** We do not have factions in the Liberal Party.

**The Hon. PETER PRIMROSE:** —or met with any of its clients, is that correct?

**The Hon. PENNY SHARPE:** Tell it to Kevin Conolly.

**The Hon. MICHAEL GALLACHER:** As I have indicated to you, I complied with the ministerial guidelines in relation to meeting with lobbyists. In relation to Michael Photios or his company, I do not recall having any meetings with Mr Photios or his company.

**The Hon. PETER PRIMROSE:** Thank you Minister. The O'Farrell Government is taking \$629.6 million out of the Hunter-based State-owned corporations this year as dividends and tax payments. NSW Trade & Investment estimate around another \$900 million in coal royalties, but you have shut the John Hunter Eye Clinic, so public patients needing treatment for conditions such as glaucoma, cataracts, macular degeneration and diabetes now have to travel to the Sydney Eye Hospital. That is a pretty pathetic decision, is it not?

**The Hon. MICHAEL GALLACHER:** Mr Acting Chair, with regards to the opening statements in relation to money that is being taken from the Hunter, as the member has asserted, I again remind him of the significant investment that has been made by the Government into a region that for 100 years has supported the Australian Labor Party with very little support in return. In fact, even the Honeysuckle project, which is now the centrepiece to the city of Newcastle as it currently stands, but it will not be the end of the dream for the city. It commenced under the Greiner Government, not under the succession of Labor Governments over the years. For the Labor Party to be somehow suggesting that there is no investment in the region is quite disgraceful indeed. In terms of the specifics in relation to the Hunter health aspect that the member has asked about—

**The Hon. PETER PRIMROSE:** The John Hunter Eye Clinic.

**The Hon. MICHAEL GALLACHER:** Yes, the Hunter Eye Clinic, as you have asked, I will seek an answer from the Minister for Health as she is the primary Minister in relation to that matter.

**The Hon. PETER PRIMROSE:** So you are not aware of it?

**The Hon. MICHAEL GALLACHER:** Look, the fact is that there has been significant capital investment in health. We appreciate the pressures placed on public hospitals in the region. The Hunter will share the Government's \$10 million plan to increase access to palliative care. The Hunter region will benefit from budget allocations and continue to work on priority health capital projects, including \$1.6 million to complete the Raymond Terrace GP Super Clinic HealthOne at a total estimated cost of approximately \$15.2 million, \$6.8 million towards the planning and land acquisition for the new Hunter Valley Hospital and \$4 million is also allocate to upgrade the emergency department of Muswellbrook Hospital.

**The Hon. PETER PRIMROSE:** I accept all that, Minister.

**The Hon. MICHAEL GALLACHER:** But you cannot deal with the region in isolation when you look at the investment that is in there.

**The Hon. PETER PRIMROSE:** But you can deal with the one public eye clinic that has been closed, and you do not know the details.

**The Hon. MICHAEL GALLACHER:** And that is why I will receive a detailed answer from the Minister for Health to satisfy your question.

**The Hon. PETER PRIMROSE:** I am quite stunned that you are not aware of that, Minister. The Government is supporting the establishment of a fly in fly out miners' camp near Singleton. Why not recruit locally, which also means that wages would be spent locally at businesses in the Hunter?

**The Hon. MICHAEL GALLACHER:** Of course, this has been a long-term challenge. Unfortunately, you do not have the opportunity to go to the Hunter at all. You would get an opportunity when you speak to industry up there about their ability to attract employment into the region. I remember attending a meeting as a Minister, in fact, where they spoke at length about the need to fly workers in from interstate or other parts of the State simply because the demand was so great. In fact, it was actually having a knock-on effect—

**The Hon. PETER PRIMROSE:** Maybe you want to read your brief before you continue, Minister.

**The Hon. MICHAEL GALLACHER:** —on other parts of the industry in the region.

**The Hon. PETER PRIMROSE:** It is a shame you did not call into the eye clinic when you were up there having those meetings.

**The Hon. PETER PRIMROSE:** I will conclude on that answer.

**The Hon. PETER PRIMROSE:** You would agree that coaldust is a significant public health issue in the Hunter, would you not?

**The Hon. MICHAEL GALLACHER:** Coaldust is a significant issue anywhere in the world.

**The Hon. PETER PRIMROSE:** So what is the Government doing about it?

**The Hon. MICHAEL GALLACHER:** I thank the member for an opportunity to talk about air quality in the region.

**The Hon. PETER PRIMROSE:** Particularly coaldust.

**The Hon. MICHAEL GALLACHER:** NSW 2021 goal 22, "Protect our natural environment" includes actions to provide information to local communities on air quality and reduce dust emissions from coalmines. To this end, the Government has established a high-level interagency taskforce on air quality in the Hunter, which includes representatives of the Environment Protection Authority, the Department of Planning and Infrastructure, NSW Health, and the Department of Trade and Investment, Regional Infrastructure and Services. The taskforce, which was chaired by the Environment Protection Authority, is focused on air quality in the upper Hunter and actions to reduce dust from coalmines. Importantly, the task force will ensure effective coordination between relevant agencies to tackle the issue of coaldust. As Minister for the Hunter I welcome this initiative as it is clear that a carefully coordinated and integrated approach will be required to effectively address this issue.

In April 2013 the Interagency Upper Hunter Air Quality Taskforce released the Upper Hunter Air Particles Action Plan to articulate the Government's multi-agency response to addressing the region's air quality issues. The action plan comprehensively examines the known source of particulate pollution in the region and highlights key areas for action, including strengthening development consent conditions for new mining and industrial proposals through environmental protection licensing; implementing the Government's Dust Stop program by mining operations; managing diesel emissions from equipment and vehicles on mine sites through the Clean Machine Program; developing guidelines on best practice on addressing dust and emission impacts through project design; continuing monitoring and reporting of air quality data, including along the train corridors; promoting local government participation in the Government wood smoke reduction grant programs; publicising and acting appropriately upon the findings of the upper Hunter fine particle characterisation study; and developing a model for the dispersal of fine particles in the upper Hunter air ship.

On the issue of air quality monitoring, the Environment Protection Authority commenced operation of 14 new air quality monitoring stations in the upper Hunter in February 2012. The monitoring network is supported by a new online monitoring web page hosted by the New South Wales Office of Environment and Heritage, and free SMS and email air quality alerts for each station providing reliable information on regional air quality in the upper Hunter to inform the community when air quality days are poor. The New South Wales Government also has enacted a new regulation under the Protection of the Environment Operations Act 1997. The regulation requires holders of environment protection licences authorising coalmine and electricity generation in the upper Hunter region to pay a levy towards the cost of the monitoring program.

The budget for industry operation for the 14 stations is currently being negotiated for the 2013-14 year. On government research into the contents of particulate pollution, the EPA and NSW Health also are partnering with the Australian Nuclear Science and Technology Organisation [ANSTO] and the CSIRO in undertaking the upper Hunter fine particle characterisation study—a study to pinpoint the exact contents of airborne pollutants collected in the upper Hunter. I am informed that the study is nearing completion. I am sure the member will be looking for its release or an opportunity to review it once it is released. It will be independently peer reviewed before a final report is released over the coming weeks. The study will arm the Government and the Environment Protection Authority with valuable information on any potential health impacts and inform the necessary policy response to ensure the health and safety of the Hunter's mining-affected communities.

**The Hon. PETER PRIMROSE:** What specific options do you expect to have for rail corridors through urban areas?

**The Hon. MICHAEL GALLACHER:** I will take that question on notice.

**The Hon. PETER PRIMROSE:** The rapidly growing Wallsend State electorate has no police station. When will you put one in?

**The Hon. MICHAEL GALLACHER:** Sadly, there was one there, but the former Labor Government closed it. I used to go to Wallsend police station when I was a police officer. There used to be a court.

**The Hon. PETER PRIMROSE:** Was that the wrong decision?

**The Hon. MICHAEL GALLACHER:** There used to be a court at Wallsend as well, and the Labor Government made a decision then.

**The Hon. PETER PRIMROSE:** Was closing it the wrong decision?

**The Hon. MICHAEL GALLACHER:** Of course, at the time it made a decision and, of course, that police station is no longer there.

**The Hon. PETER PRIMROSE:** So when are you going to open a new one, Minister?

**The Hon. MICHAEL GALLACHER:** The fact is that the allocation of police in the Lake Macquarie area now has a different approach to the one foreshadowed under your Government, one where you were going to consolidate and build a super station. Instead of being developed into a super station, as you were proposing in that northern part of that Lake Macquarie area in particular, the money has now been dispersed amongst existing stations to rebuild—

**The Hon. PETER PRIMROSE:** Am I correct in saying the answer is no, no police station for Wallsend?

**The Hon. MICHAEL GALLACHER:** —or refurbish. Either refurbish or rebuild the existing stations to ensure there is a greater spread of resources around the area rather than what the previous Government was proposing—simply to consolidate.

**The Hon. PETER PRIMROSE:** When the Government decided to sell Port Botany it proclaimed a new Port Botany State environmental planning policy. Will the new port of Newcastle State environmental planning policy have similar provisions?

**The Hon. MICHAEL GALLACHER:** I will take that question on notice.

**The Hon. PETER PRIMROSE:** Many industries in the Hunter rely on gas but cannot get contracts confirmed for after 2015. Would you agree that this is damaging the local economy?

**The Hon. MICHAEL GALLACHER:** Of course, it is important that we maintain a supply of gas. When I had an opportunity to talk to Hydro in Kurri Kurri one of its concerns was not just the issue of gas supply but also beyond. It was concerned about difficulties and flexibility in industrial relations, but also the London price affecting aluminium. A number of factors were at play. Rest assured: one thing of great concern to many communities, not just the Hunter Valley, of course, is the Federal Government's carbon tax, which has had a significant impact on many companies indeed. When I spoke to Hydro and the other aluminium smelter in an adjacent electorate at Tomago, they kept talking about the current Federal Government's predisposition towards ensuring that these businesses that are the lifeblood of the local economy are suffering incredibly difficult times that has resulted in them cutting down.

**The Hon. PETER PRIMROSE:** As Minister for the Hunter can you name one thing you are proposing to do that actually will enable gas contracts to be confirmed after 2015 in the Hunter?



**The Hon. MICHAEL GALLACHER:** I will continue as the Minister for the Hunter and member of the Legislative Council to advocate in Cabinet particularly on behalf of Government members who are positive and who have a vision about that region to ensure they have that additional voice within the region, as I continue to work with my ministerial colleague the Hon. Chris Hartcher, who equally is committed to ensuring this State has a gas supply.

**The Hon. PETER PRIMROSE:** Can you or your colleagues with vision maybe just vision see one specific thing you will do to enable those gas contracts to continue after 2015?

**The Hon. MICHAEL GALLACHER:** With vision I will look into it.

**The Hon. PETER PRIMROSE:** I suspect that will be hindsight then. In relation to the Xstrata mines, what have you done to ensure the protection of the Aboriginal heritage in that area?

**The Hon. MICHAEL GALLACHER:** I will take that question on notice.

**The Hon. PETER PRIMROSE:** Has any member of your staff made complaints to or raised concerns with you, your chief of staff or the Department of Premier and Cabinet about bullying?

**The Hon. MICHAEL GALLACHER:** They have not raised them with me, but if they have done them as a protective disclosure, they probably would not have told me if that was in fact the case. However, I am not aware of any.

**The Hon. PETER PRIMROSE:** In negotiations regarding the sale of the Port of Newcastle, one of the things—

**The Hon. MICHAEL GALLACHER:** The lease of the Port of Newcastle; I correct you on that. You might want to get your glasses checked.

**The Hon. PETER PRIMROSE:** Thank you. Referring to the sale of the Port of Newcastle, in the discussion the Shooters and Fishers Party argued that much more of the funds should remain in the Hunter. Were you consulted about the sale and the sale provisions?

**The Hon. MICHAEL GALLACHER:** I can assure the Committee that the Port of Newcastle is home to some of the most significant economic infrastructure in New South Wales and Australia. It is the world's largest coal export port, exporting 170 million tonnes from 2012 to 2014—

**The Hon. PETER PRIMROSE:** Why is so much money coming down to northern Sydney? Why is Hunter money being used in northern Sydney?

**The Hon. MICHAEL GALLACHER:** —having grown from 97 million tonnes—

**The Hon. NATASHA MACLAREN-JONES:** Point of order: I am trying to hear the Minister's answer.

**The Hon. PETER PRIMROSE:** I am trying to get him to give an answer.

**The Hon. NATASHA MACLAREN-JONES:** He has not been given an opportunity to answer your question because you keep interrupting.

**The Hon. PETER PRIMROSE:** I am asking him to give an answer.

**The Hon. NATASHA MACLAREN-JONES:** I ask that the Minister be allowed to answer his question.

**The Hon. PETER PRIMROSE:** I am asking him to give an answer in relation to the specific question.

**The Hon. NATASHA MACLAREN-JONES:** I ask that the Minister be allowed to answer his question.

**The Hon. STEVE WHAN:** It is a specific question.

**The Hon. PETER PRIMROSE:** It is a specific question. I am asking the Minister why so much of the money that will be allocated from the sale of the Port of Newcastle is going to be used in the privatised North West Rail Link?

**The Hon. MICHAEL GALLACHER:** Mr Chairman, I was in fact asked whether I had been consulted. This is a new question. I will go back to the original question. As a member of Cabinet, of course, we discuss many things in Cabinet. However, I am not in a position to discuss things in Cabinet because, sadly, none of those sitting on my right in this debate, the Opposition or indeed The Greens, are either in Cabinet or are ever likely to be there.

**The Hon. PETER PRIMROSE:** Assuming the Hon. Duncan Gay got the same—

**The Hon. PENNY SHARPE:** Such confidence, Minister.

**Dr JOHN KAYE:** Thank you for your expression of confidence in my political future, Minister.

**The Hon. MICHAEL GALLACHER:** I have your membership form in my bag.

**Dr JOHN KAYE:** Let us talk more about your politics rather than mine. How many advisers do you have in your office whose primary focus is the Hunter?

**The Hon. MICHAEL GALLACHER:** Of course I have one person who assists me in my office—

**Dr JOHN KAYE:** On the Hunter.

**The Hon. MICHAEL GALLACHER:** —on a whole host of issues.

**Dr JOHN KAYE:** But do you have any who are specifically focused on the Hunter?

**The Hon. MICHAEL GALLACHER:** Yes. I have one person who works on the Hunter as well as other work, but you have to realise that I do not have an office in the Hunter and have not been given a budget for the Hunter.

**Dr JOHN KAYE:** I understand that Minister, otherwise I would be asking you about the budget.

**The Hon. MICHAEL GALLACHER:** What I rely on is Mr Tatnell and his personnel, who work for the Department of Premier and Cabinet, in the Hunter. They are, in effect, the resource that my office utilises to keep abreast of Hunter issues. In fact, Mr Tatnell and his team are great at ensuring that there is much cooperation between the Government and the region at a regional level.

**Dr JOHN KAYE:** Thanks, Minister. Who is that person in your office who has a specific focus on the Hunter?

**The Hon. MICHAEL GALLACHER:** I will tell you that person's name, but I am reluctant to put the name in *Hansard*.

**Dr JOHN KAYE:** There is a person there?

**The Hon. MICHAEL GALLACHER:** I have a person who performs that role.

**Dr JOHN KAYE:** Can you tell us three things that person has done for the Hunter in the past six months?

**The Hon. MICHAEL GALLACHER:** In the past six months that person has looked after issues that local members raise with me about the need to be aware of ongoing concerns and issues that they have.

**Dr JOHN KAYE:** Can you give us a list of those issues on notice?

**The Hon. MICHAEL GALLACHER:** I can most certainly give you a list of issues on notice that are raised with us on a daily basis. As Minister for the Hunter I meet with local members and I sit down with concerned constituents or groups that local members believe it is appropriate for me as Minister for the Hunter to meet with as opposed to the primary Minister responsible for a portfolio issue, and I meet with them. That person is responsible for facilitating a lot of those meetings, as well as discussions, as well as visits to the region.

**Dr JOHN KAYE:** That is great, Minister. Can you also give us on notice a list of all the meetings that you have had that are specifically Hunter meetings in the past six months? The Hon. Peter Primrose asked you about air quality. I had a question on air quality as well. It relates to the Environment Protection Authority's Newcastle particle categorisation study. Currently that is only going to assess the prevalence of PM 2.5. Those are particles that are approximately 2.5 microns or less in diameter, a micron being 10 to the minus six metres. Why is the study not looking at a PM 1 or a PM 10 or other sized particles, given that the current understanding of the particulate matter is that the spectrum of sizes is as important as the frequency of the individual particles?

**The Hon. MICHAEL GALLACHER:** It is a decision that is made in relation to the study. In respect of the detail as to why they seek to conduct the study in the way that they do, I will defer to people who have a scientific understanding of what they are seeking to achieve. In light of that, I will seek an answer from them.

**Dr JOHN KAYE:** In this morning's edition of the *Newcastle Herald*, the Environment Protection Authority said that it did not have the money to do the bigger or smaller particles, so the matter was limited by the amount of funds that were available. Have you done anything to secure more funds for that study, or will you do anything to secure more funds?

**The Hon. MICHAEL GALLACHER:** Of course I advocate on a regular basis to get more money for the region.

**Dr JOHN KAYE:** Specifically for that?

**The Hon. MICHAEL GALLACHER:** This study, I understand, is nearing completion, and will be independently peer reviewed, as I indicated a short time earlier. Be that as it may, in respect of the claims you just made, following some comments in the *Newcastle Herald* this morning I will obtain an answer from the Minister in that regard.

**Dr JOHN KAYE:** Minister, you will be aware of the Newcastle Urban Renewal Strategy [NURS], and you will be aware that NURS advocated for a bus solution and the severance of heavy rail services into Newcastle central. You will also be aware that the community was agitating for the release of NURS for some time. It finally came out in December last year. Why did it take so long to come out, and has it descended into a comprehensive farce, given that the Government has now opted for a light rail solution rather than a bus space solution?

**The Hon. TREVOR KHAN:** That is three questions.

**The Hon. MICHAEL GALLACHER:** And I will answer all three.

**Dr JOHN KAYE:** I suspect the Minister is capable of answering more than one question.

**The Hon. MICHAEL GALLACHER:** I intend to answer all three. In December 2012 the Government released its draft of the Newcastle Urban Renewal Strategy, aimed at comprehensively improving the overall functionality of the city for transport and community accessibility in conducting business. The strategy aims to facilitate new development in the city centre, improve access and connectivity with the waterfront, improve connections for all transport modes across the rail corridor and facilitate a connected system of public spaces. The Government is demonstrating its determination to make the strategy a reality through the 2013-14 budget. The Government has announced through the budget that it will proceed immediately with a scoping study on offering a 99-year lease of the Port of Newcastle—

**Dr JOHN KAYE:** Minister, you are not answering all three questions; you are answering none of the questions I asked you.

**The Hon. MICHAEL GALLACHER:** They are my introductory comments.

**Dr JOHN KAYE:** We are short on time.

**The Hon. MICHAEL GALLACHER:** Those proceeds will be directed to the revitalisation of the city centre.

**Dr JOHN KAYE:** Most of us knew that, Minister.

**The Hon. MICHAEL GALLACHER:** This could see as much as \$340 million—

**The Hon. STEVE WHAN:** He has only one speech.

**The Hon. MICHAEL GALLACHER:** —in funding from the port lease deal reinvested into the city on top of \$120 million that the Government has already released to developing the urban renewal strategy.

**Dr JOHN KAYE:** Now tell us something we do not know, Minister.

**The Hon. MICHAEL GALLACHER:** To oversee the delivery of the strategy—you are probably not aware of this—a coordination and delivery group has been established.

**The Hon. PENNY SHARPE:** A committee?

**Dr JOHN KAYE:** Minister, that is also not relevant to any of my questions.

**The Hon. MICHAEL GALLACHER:** That group will report directly to the Minister for Planning and Infrastructure.

**Dr JOHN KAYE:** As your colleague would say, you are still a bull's roar from relevance.

**The Hon. MICHAEL GALLACHER:** What is relevant is how I interpreted the many questions that you asked. The group is chaired by Hunter Development Corporation Chairman, Paul Broad, and comprises government executives from relevant agencies, senior Newcastle city staff, and business and community representatives.

**Dr JOHN KAYE:** Minister, since you are reading, I ask you to do me the courtesy of putting that answer on notice.

**The Hon. MICHAEL GALLACHER:** It will be responsible for progressing—

**Dr JOHN KAYE:** Minister, you are just reading an answer. Would it be possible for you to table that answer and we will move on to another topic?

**The Hon. MICHAEL GALLACHER:** I will take the remainder of that answer on notice to assist you with your time.

**Dr JOHN KAYE:** I appreciate that.

**The Hon. MICHAEL GALLACHER:** I had more to say.

**Dr JOHN KAYE:** You said you had a conversation with Hydro and Tomago and they raised concerns. I think what you were saying was they had raised concerns with the Government's green energy policies. Presumably it was more the renewable energy target than the carbon price, but it might have been both.

**The Hon. MICHAEL GALLACHER:** No, it was more the carbon price.

**Dr JOHN KAYE:** Did you believe them?

**The Hon. MICHAEL GALLACHER:** Yes, I did because—

**Dr JOHN KAYE:** So you believe everything that the aluminium industry tells you?

**The Hon. MICHAEL GALLACHER:** When I went there I saw their commitment to look after their workers. I think the member for Cessnock is still in the room and he too must have been so impressed with their commitment. Working with the Department of Premier and Cabinet and others they put on an open day in Kurri Kurri to work with industry to try to look after their workers, to facilitate their transition of employment from Hydro into other areas. I had a number of meetings with representatives of that organisation. I went and visited and saw what I could see with my own eyes in relation to Hydro. I also visited Tomago.

It is not a question of believing everything that the aluminium business or the industry tells me. When I see people who are genuinely prepared to try to look after their workers reluctantly closing their doors but, of course, still remaining in control of the facility at Kurri Kurri as they have hoping that one day the London price will improve, hoping that one day there will be a change of Federal government with a different attitude towards business—and hopefully that will occur very soon—I know that many factors are at play. There is no doubt that one of the major concerns they had was their inability to have the flexibility in the workplace that they sought. One of the other issues they raised with me, of course, was the carbon tax impact on business. So there were a number of ingredients.

**Dr JOHN KAYE:** A quick yes or no answer to this question will suffice. It did not occur to you at any stage that they were having a lend of you?

**The Hon. MICHAEL GALLACHER:** No, it did not occur to me that they were having a lend of me because they sent a number of delegations. Indeed, even the chief executive officer of the organisation spoke to me in relation to their desire to keep the business open. But, of course, they still wanted to maintain a relationship with their workforce ever hopeful that one day if they could reopen Kurri Kurri that those who left would leave on good terms and with a view to possibly returning.

**ACTING CHAIR:** In your capacity as Minister for the Hunter what other new major projects are underway in the area? How much funding is the Government providing for them? Considering that the decision to release the port of Newcastle was taken recently, how much money from the lease will go into the Hunter? To be honest, the Shooters and Fishers Party thinks that all the proceeds of the sale should have gone into the Hunter.

**The Hon. MICHAEL GALLACHER:** The Government has taken its decision on that last point but we have invested in something that I think will bring about a renaissance in Newcastle, a rebirth of that city. Those who were against any changes to the rail line, particularly Save Our Rail, wanted to maintain rail connectivity into the city. I met with them very early on and they were looking at things like a viaduct situation where the heavy gauge rail would go on an elevated platform above the city to allow connectivity from the city to the waterfront. This surely must be the realisation of a dream. Take the politics out of it and those who aspire to one day reclaim what they think is their rightful place in Newcastle. Surely the announcement that we made with regard to light rail is in itself the realisation of a dream because the potential for light rail into the future, and generations into the future, is quite endless. I have yet to hear the Opposition say, "Yes, we want that light rail system to happen. We agree the money needs to be spent."

In 2½ years in office this Government has demonstrated a strong commitment to improving infrastructure and service not just in Newcastle but also the entire region. The goals and targets of the NSW 2021 Plan have been applied in a targeted way throughout the region to ensure that it continues to be a great place to live, work and play. This will ensure that it can play its role in making New South Wales number one again. I have not said that for a while but I am proud to say it again—going down memory lane. The Government's work with the Commonwealth, local government, industry and the community in the region has resulted in a list of significant achievements, as was requested of me a moment ago. The first priority for us was to rebuild the State economy.

To achieve this in the Hunter the Government, through NSW Trade and Investment, has been successful in attracting over \$330 million in new business investment, creating almost 1,100 new full-time jobs and supporting 36 Hunter companies to enter into new global markets. The Government has also worked with industry to attract significant new capital investments to support a diversified regional economy. Amongst those said to become operational within the next six to 12 months are the Salt Haven (Australasia) bulk liquid storage and terminal facility in the Port of Newcastle, the Newcastle Agri Terminal export facility and the investment by Aspen Medical in a new international centre for resource health in the Hunter, which will deliver 250 jobs. The

Government is also focused on returning quality services for the region in partnership with the Commonwealth—this is how it works in that region because people do not want party politics to get in the road.

**The Hon. Steve Whan:** Well you are the wrong person for them then, are you not?

**The Hon. MICHAEL GALLACHER:** I am building a better world. We have commenced delivery of tailored, individual disability support packages for eligible partnerships in Newcastle as part of the New South Wales launch of the National Disability Insurance Scheme, and it will be progressively expanded to participate in Lake Macquarie and Maitland over the next two years. We are also investing in front-line services to accommodate the growing Hunter population. Some 382 teachers have received their first permanent appointments to Hunter schools since July 2012, and 412 new nurses were recruited to the region in the two years to March 2013. The Police Transport Command, which has been much denigrated by the Opposition, has been established and this provides increased police presence on the Newcastle and Hunter rail lines. And who can forget the 138 new police officers who have been allocated to local area commands in the Hunter since May 2011?

The Government is renovating infrastructure in the region and addressing economic bottlenecks, as well as growing social and health needs. I mentioned earlier the Hunter Infrastructure and Investment Fund. Under the fund—to give you a rough idea—we have \$63 million for the widening of Nelson Bay Road. That is a very important road to the region not only in a holiday sense but also it is much needed by those people who work in the region and travel to Newcastle to work. We have \$45 million for the New England Highway upgrade through Maitland and \$20 million for the upgrading of the road network in the Hunter Valley wine district. The member for Cessnock must be so proud that he has a Liberal-Nationals Government. He has never seen investment like this in his region before. He would be so happy to see this long overdue investment in his region. It creates jobs, it cements the importance of tourism in the region, it gives people pride and good quality roads make it safer in a region that for far too long has been taken for granted. I can go on about health and talk about education as well. I can talk about the work that is being done by the Department of Education and Communities—

**ACTING CHAIR:** I have another question. You might care to put the rest of your answer on notice.

**The Hon. MICHAEL GALLACHER:** I will put that on notice because in looking at all the things the Government has invested in I will be here for a while.

**ACTING CHAIR:** The Government has recently made a lot of noise about the redevelopment and rejuvenation of the city of Newcastle and in particular has pointed to the light rail project, which is apparently progressing. Apart from the light rail project, what else can the city look forward to by way of development?

**The Hon. MICHAEL GALLACHER:** Again, I suspect that this answer will take some time. The first thing we did was to give them a State member of Parliament who was proud to be the local member and who was prepared to work for them—not just for the city of Newcastle but indeed, by extension, beyond that. The New South Wales Government has demonstrated a strong commitment to transitioning Newcastle to a modern and vibrant city for the State. We are responding to calls from the business sector and the wider community to recognise the contribution of Newcastle to the New South Wales economy. It does not need to be said, but it is the State's second-biggest city. Finally it will get some investment to ensure it is a showcase outside of Sydney.

In December 2012 the Government released its draft Newcastle urban renewal strategy, aimed at comprehensively improving the overall functionality for the city—including transport, community accessibility and conducting business. The strategy will facilitate new development in the city centre by improving access to and connections with the waterfront. That has been at the core of the problems: the divided city. Call it the dingo fence or whatever you want; there needed to be a decision made. If I were to stack up all the reports that the previous Government conducted, and this again underscores its inability to make a decision, I would probably find that the reports stacked one on top of the other would nearly touch the roof in this room. The previous Government could not make a decision.

Of course now the decision has been made and the city is starting to dream about what it will look like into the future. Newcastle now has an opportunity to start to think about what it will look like in the next 100 years and not, as the previous Government did, to constantly look backwards. We will improve connections for transport modes across the rail corridor and facilitate a connected system of public spaces. The Government has demonstrated its determination to make the strategy a reality through the 2013-14 budget.

As you have indicated, the Government announced in the budget the lease of the Port of Newcastle. The \$340 million in funding from the port lease deal will be reinvested into the city. That is on top of the \$120 million the Government has already committed to delivering the urban renewal strategy. We are rapidly heading towards an investment of half a billion dollars in the city of Newcastle. That is something those opposite wish to denigrate. But, of course, those in Newcastle and the region are very happy about this funding, which they are long overdue in receiving.

Importantly the long-term port lease will help make a light rail solution for the city. The proposed light rail will operate between Wickham and Newcastle. The broader plan for light rail will be delivered with \$10 million initially allocated to investigate the feasibility of linking light rail to surrounding suburbs and beaches. The Minister for Transport announced the release of two tenders. That is now underway. It is no longer a question of when it is going to happen; it is now happening. The first tender will explore options for where light rail should travel and how it will support the revitalisation of the CBD. The second tender will take a more detailed look at how people travel around the city—whether by car, bus, rail, ferry, walking or cycling—and where they are travelling to. Mr Acting Chair, if you like I will put the remainder of this answer on notice.

**ACTING CHAIR:** Thank you very much for attending the Committee today.

**(The witness withdrew)**

**The Committee proceeded to deliberate.**

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