

GENERAL PURPOSE STANDING COMMITTEE NO. 1

Friday 16 August 2013

Examination of proposed expenditure for the portfolio area

PREMIER, WESTERN SYDNEY

The Committee met at 9.00 a.m.

MEMBERS

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

The Hon. C. E. Cusack
Dr M. Faruqi
The Hon. L. Foley
Dr J. Kaye

The Hon. M. R. Mason-Cox
The Hon. M. J. Pavey (Deputy Chair)
The Hon. P. T. Primrose
The Hon. P. Sharpe

PRESENT

The Hon. Barry O'Farrell, *Premier, and Minister for Western Sydney*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: I declare this hearing for the inquiry into budget estimates 2013-14 open to the public. I welcome Premier O'Farrell and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Premier and Western Sydney. 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 this 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. Premier, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers. Transcripts of this hearing will be available on the web from tomorrow morning. Premier, 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. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

CHRISTOPHER ECCLES, Director General, Department of Premier and Cabinet, affirmed and examined:

CHAIR: I declare the proposed expenditure for the portfolios of Premier and Western Sydney open for examination. The questioning of the portfolio of Premier will run from 9.00 a.m. until 12.00 p.m., and the questioning of the portfolio of Western Sydney will run from 12.00 p.m. until 1.00 p.m., subject to the number of questions asked by Government members. As there is no provision for the Premier to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. LUKE FOLEY: I will start with the regulation of lobbyists in New South Wales. Premier, can you tell us what rules you have in place to regulate the conduct of lobbyists in this State?

Mr BARRY O'FARRELL: Those rules are published. Those rules require lobbyists to be registered on the lobbyists register and to abide by the conditions that that register provides. Of course, there are penalties if they do not.

The Hon. LUKE FOLEY: When you say the requirements are published, would that be a reference to two publications, the Lobbying of Government Officials Act 2011 and the New South Wales Government Lobbyists Code of Conduct?

Mr BARRY O'FARRELL: Yes, they would be. Of course, those provisions were strengthened by my Government after the March 2011 election, for instance, to ensure that success fees were outlawed in New South Wales.

The Hon. LUKE FOLEY: Was that amendment courtesy of the Lobbying of Government Officials Act 2011?

Mr BARRY O'FARRELL: Yes.

The Hon. LUKE FOLEY: Does that Act—an Act of this Parliament which bans success fees; I congratulate you on that move—place other restrictions on the lobbying of Government officials?

Mr BARRY O'FARRELL: Yes.

The Hon. LUKE FOLEY: Am I correct in drawing from your answers that it is the Act, the code of conduct and the register that cover the field formally in terms of this State's proper regulation of the activities of lobbyists? Have I missed anything?

Mr BARRY O'FARRELL: I think that is a fair assessment.

The Hon. LUKE FOLEY: As you said, the Lobbying of Government Officials Act deals with success fees. What other restrictions does the Act place on lobbyists?

Mr BARRY O'FARRELL: I do not have a copy of the Act at hand, but you do so I am happy for you to go through them because they are set out.

The Hon. LUKE FOLEY: Can I put to you that it provides a cooling-off period for ex-Ministers and ex-Parliamentary Secretaries?

Mr BARRY O'FARRELL: It does indeed. Again, it was introduced after the March 2011 election.

The Hon. LUKE FOLEY: Indeed. Can I put to you that the Act only really deals with success fees and a cooling-off period? Therefore it is necessary to move to the code of conduct to look at the other rules that the State puts in place regarding the activities of lobbyists. Is that a fair proposition?

Mr BARRY O'FARRELL: As I said before, you have covered the ambit of regulations and Acts that cover lobbying in this State, yes.

The Hon. LUKE FOLEY: I turn now to the code of conduct. Who is responsible for the oversight of the New South Wales Government Lobbyists Code of Conduct?

Mr BARRY O'FARRELL: Ultimately I think it rests with the Director General of the Department of Premier and Cabinet. If Mr Eccles has any difference to that he should speak up.

Mr ECCLES: No. I understand that is the case.

The Hon. LUKE FOLEY: Do I take it from that that you are the responsible Minister under the administration of Acts for the Lobbying of Government Officials Act, and therefore the code also falls within your portfolio and it is the job of the Director General of the Department of Premier and Cabinet to ensure that the code is complied with? Is that a fair statement?

Mr BARRY O'FARRELL: I think it is his responsibility.

The Hon. LUKE FOLEY: The code tells us, first, that there is a public expectation that lobbyists will be individuals of strong moral calibre who operate according to the highest standards of professional conduct. That is a strong statement, is it not, that reflects your Government's determination to ensure that the activities of lobbyists are above board in this State?

Mr BARRY O'FARRELL: To be fair, I do not think that part of the code has changed between governments.

The Hon. LUKE FOLEY: The code tells us in its preamble that the Government has established the lobbyists code of conduct to ensure that contact between lobbyists and government representatives is conducted in accordance with public expectations of transparency, integrity and honesty. That statement has survived from the last Government, has it not?

Mr BARRY O'FARRELL: Absolutely.

The Hon. LUKE FOLEY: Do you agree that it is an important statement?

Mr BARRY O'FARRELL: I agree.

The Hon. LUKE FOLEY: So when we come to the application of the Lobbyists Code of Conduct, to whom does it apply?

Mr BARRY O'FARRELL: The Lobbyists Code of Conduct and the lobbyists regulations apply to those lobbyists who are registered and, of course, those government and public officials who are being lobbied.

The Hon. LUKE FOLEY: Do the government and public officials you refer to include Ministers of the Crown?

Mr BARRY O'FARRELL: I think they include all of us except members of the Opposition.

The Hon. LUKE FOLEY: Does it include backbenchers?

Mr BARRY O'FARRELL: I have given my answer.

The Hon. CATHERINE CUSACK: The drama is rising.

CHAIR: There will be no interruptions.

The Hon. CATHERINE CUSACK: I am sorry.

CHAIR: Labor members are asking questions.

The Hon. LUKE FOLEY: Does it apply to ministerial staff members?

Mr BARRY O'FARRELL: Ministerial staff members, senior public servants, public sector agencies and, through a Premier's memorandum, Parliamentary Secretaries. That is clause 2.1 of the code.

The Hon. LUKE FOLEY: Clause 2.1 to which you refer covers the field in terms of elected government and public servants working for the government.

Mr BARRY O'FARRELL: Yes.

The Hon. LUKE FOLEY: Is ensuring that the code is met and that lobbyists on the register abide by the code considered a priority for your Government on a day-to-day basis?

Mr BARRY O'FARRELL: I expect members of my Government—I expect that Mr Eccles, expects members of his public administration—to abide by a published code. I do not have to remind you, Mr Foley, that these codes are applicable codes under the Independent Commission Against Corruption Act and failure to comply with those codes can result in appearances before the Independent Commission Against Corruption, can result in the Independent Commission Against Corruption making a finding of corruption even though, as our members' handbook tells us, there may be nothing illegal in what is being done.

The Hon. LUKE FOLEY: What resources has the Government or the Department of Premier and Cabinet, put in place to ensure that the strong principles enshrined in the code are abided by by lobbyists, members of the Government and members of the public service? What resources are devoted to that?

Mr ECCLES: We have a systematic process for registration of lobbyists and that is managed by the general counsel within my department. We have the appropriate legal rigour in the assessment of lobbyists. In relation to the resources applied to those who are, if you like, potentially on the receiving end of lobbying activity, the general counsel will routinely induct new Ministers and staff into the requirements of the code. We cannot supervise everything that happens within the Minister's office, and ultimately the responsibility has to rest with them to appreciate the detail and to apply it rigorously.

Mr BARRY O'FARRELL: If I can add, beyond that we do have in this State a strong—and I have to say under Commissioner Ipp—and very effective Independent Commission Against Corruption that this year will have the largest budget it has ever had, precisely to ensure that public officials, whether Ministers or a cleaner on a railway station, understand that if they decide to act inappropriately or corruptly they can have an experience with the Independent Commission Against Corruption which is, after all, our corruption prevention watchdog.

The Hon. LUKE FOLEY: Mr Eccles referred to the department's general counsel. Does he or she deal with applications to be added to the lobbyists register?

Mr ECCLES: That is correct.

The Hon. LUKE FOLEY: He or she would examine each application?

Mr ECCLES: That is correct.

The Hon. LUKE FOLEY: Would he or she provide a recommendation to you to add a lobbying firm or an individual to the register of lobbyists?

Mr ECCLES: That is correct.

The Hon. LUKE FOLEY: You would have the delegated authority of the Premier or the authority under the rules to add a firm or individual to the register of lobbyists?

Mr ECCLES: That is correct.

The Hon. LUKE FOLEY: Does the role of the general counsel only apply to new applications? Does he or she have an ongoing role to ensure ongoing compliance with previously or currently listed lobbyists?

Mr ECCLES: We routinely refresh the register so that if an organisation appears to have been fallow in its activities we will write to them to determine their ongoing interests. We are diligent in our follow-up. If there is no response then they will be de-registered. To that extent there is ongoing review of the register. As individuals are proposed to the register—it is not just whole new entrants—individuals are being added to the organisation.

The Hon. LUKE FOLEY: I take it from that that general counsel has an oversight role in dealing with applications to be added to the register and the maintenance of the register?

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: Section 5 of the New South Wales Government Lobbyist Code of Conduct deals with the register of lobbyists. Do subsections 5.5 and 5.6, in short, provide an obligation on a registered lobbyist, within 10 business days of 30 June each year, to confirm that their details are up-to-date?

Mr ECCLES: Yes, they do.

The Hon. LUKE FOLEY: The code also provides an obligation for all lobbyists on the register within 10 business days of 30 June each year to provide statutory declarations for all persons employed, contracted or otherwise engaged by the lobbyist, does it not?

Mr ECCLES: That is what subsection 5.5 sets out.

The Hon. LUKE FOLEY: What happens if there is a failure by a registered lobbyist to meet their obligations under subsection 5.5?

Mr ECCLES: Subsection 5.6 says that the registration shall lapse.

The Hon. LUKE FOLEY: Is that automatic or are they given a chance to catch up with the arrears, as it were?

Mr ECCLES: Mr Foley, you are taking me into an area where I do not have precise detail.

Mr BARRY O'FARRELL: You can take it on notice if you want to.

Mr ECCLES: I could indeed, Premier. But my expectation is that we do not just cut people off at the knees; that they are given an opportunity. I do have a recollection of follow-up. Now, I cannot be certain whether that follow-up is an interpretation of the lapsing provision in subsection 5.6; I would need to get further detail on that.

CHAIR: Do you want to take that on notice.

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: I take it from your answers that subsections 5.5 and 5.6 are monitored?

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: So there is an expectation in the first instance from you and your general counsel that registered lobbyists will comply with those annual obligations to keep you up to date with their existence and who does the lobbying for them?

Mr ECCLES: Yes, that is a reasonable conclusion.

The Hon. LUKE FOLEY: It has been enforced in the sense that there have been times when you, as the director general, have removed lobbyists from the register?

Mr ECCLES: That is correct.

The Hon. LUKE FOLEY: Have removals from the register only ever occurred when lobbyists have failed to comply with these annual provisions?

Mr ECCLES: I cannot recall whether the removal is exclusive or applies only to that provision. I would imagine if other parts of the code enable removal for reasons other than the lapsing of the registration, by

virtue of not submitting a statutory declaration, that we would also have paid attention to those provisions but I have not had the benefit of re-reading the code recently.

Mr BARRY O'FARRELL: Mr Foley, you will see that in section 8 of the code a variety of circumstances are set out by which people either do not get on the register or are removed from the register. You will see in section 8.3 that subject to a couple of subsections the director general may—not, shall or must—at his discretion, do certain things if he is of certain opinions.

The Hon. LUKE FOLEY: Indeed, section 8 gives the director general that discretion. Is that a discretion you would exercise off your own bat or would you consult with the Minister responsible, the Premier, before removing a lobbyist?

Mr ECCLES: I have never had occasion to consult with the Premier or a Minister about the removal of a lobbyist.

Mr BARRY O'FARRELL: I am told after the event.

The Hon. LUKE FOLEY: Have you ever had occasion to remove a lobbyist from the register other than for the reason covered by subsection 5.6 that they do not meet their annual paperwork obligations?

Mr ECCLES: I have no recollection, Mr Foley, but I can take that question on notice.

The Hon. LUKE FOLEY: Has anyone in the Government brought to your attention, Mr Eccles, concerns regarding the conduct of any lobbyist on the New South Wales register of lobbyists?

Mr BARRY O'FARRELL: Again you can take it on notice if you want.

Mr ECCLES: I am doing my best, Premier, to see if I can bring that to the front of my mind, but cannot. So, I would not want to mislead the Committee by asserting something in which I do not have confidence.

The Hon. LUKE FOLEY: So you will take it on notice?

Mr ECCLES: Yes, Mr Foley.

The Hon. LUKE FOLEY: But at this point nothing springs to mind when it comes to complaints to you regarding the conduct of a lobbyist on the register?

Mr BARRY O'FARRELL: I am not sure that is the question you asked a moment ago. That is a new question.

The Hon. LUKE FOLEY: It is a new question.

Mr ECCLES: It is a new question. Well, I cannot be confident, Mr Foley I have no immediate recollection.

The Hon. LUKE FOLEY: Fair enough, but when it comes to the removal of lobbyists you can certainly point to examples under subsections 5.5 and 5.6 where they have really lapsed, they are no longer a going concern; they do not put in their annual paperwork. You may write to them to see if they are still in existence and ultimately you would discover that they are not an ongoing concern. It would be standard procedure to tidy up the list once a year or so and remove organisations that have sort of flown the coop, would that be correct?

Mr ECCLES: I have a recollection of that general category of removal, if not the specifics.

The Hon. LUKE FOLEY: Premier, do any of your office staff have responsibility for oversight of the activities of lobbyists?

Mr BARRY O'FARRELL: No. That is a responsibility of the Department of Premier and Cabinet, but what my office does is comply with the appropriate guidelines that are in place. For instance, if an invitation

comes into my office to meet with somebody, there is an indication as to whether or not it has come from a lobbyist or whether it has come, for instance, from the corporate affairs manager or some other official within a public company.

The Hon. LUKE FOLEY: Indeed, there is an obligation on a registered lobbyist to identify the fact that he or she or the firm they represent is on the register of lobbyists when they seek a meeting with you or a member of your Cabinet or indeed an official of your Government, is there not?

Mr BARRY O'FARRELL: That is what my staff seek to ensure happens as they go about assisting me in my activities.

The Hon. LUKE FOLEY: I take from that, Premier, that if such an indication is not given by a firm that seeks a meeting with you, that your office would be proactive in asking the question before they get in the door to see you?

Mr BARRY O'FARRELL: Absolutely Can I just say generally that as a matter of practice lobbyists do not generally come to any meetings that I have. If an organisation like the Bus and Coach Association or a public company or someone else wanted to come and see me, they come and see me. I have never understood why you would bring a lobbyist with you to those meetings. [*Time expired.*]

CHAIR: Thank you, Premier, for your attendance at the estimates hearing. Does the Government have a definition for what is a casino?

Mr BARRY O'FARRELL: It is a good issue, Mr Chair, and I am certain that in the legislation that covers the existing casino there would be a definition but I am also conscious in my language that when people in this city and State, and probably in this country, think of a casino they think of what exists, for instance, at the Star, what exists at Jupiters and what exists at the Launceston casino—all facilities that I visited: poker machines, table games, these days multiterminal gaming machines I think they are called, as well often, and certainly at the Star, what are described as high roller rooms.

If I can be so bold as to look towards your motivation about this question, one of the reasons that I have sought to differentiate how to describe what may end up, if it is approved, being a new facility at Barangaroo is I have tried to avoid the word "casino" because I made clear from day one that there would be no poker machines at that facility. I made clear from day one that that is about attracting what are termed high-value gambling tourism to this city, particularly from Asia where it represents a significant economic activity, where we as a country and we as a State are only getting a very small share. I think I can now tell you that "casino" means premises or parts of premises defined as a casino for the time being under section 19. So I would argue on this occasion, Mr Chair, that I think if you ask someone in the street what a casino is, they would describe essentially what goes on at the Star: as poker machines, multiterminal gaming machines, table games as well as those high roller games.

CHAIR: Could it be argued that with the growth of registered clubs in New South Wales, many that have over 1,500 poker machines, there is a very thin dividing line now between what is a casino and what is a registered club with approved poker machines and multiterminal games as well?

Mr BARRY O'FARRELL: I think that is a fair point to make. I recognise of course that New South Wales was the State that pioneered the club movement around this country. I recognise that it was a much earlier government that licensed poker machines for clubs in this State. I, as I always will, acknowledge the significant contribution that the clubs movement has made to the communities not only across this city but across this State and regrettably whenever, as Premier, I am involved with some disaster across the State, whether flood or fire, inevitably as I go into villages and towns and regional cities, or sometimes across this city, the club movement is at the forefront of housing and feeding people who have been affected and also offering support to emergency services. However, I do think the point you are making is a reasonable one.

Of course, we have a range of regulations that cover the way in which the club movement operates and of course we have a range of regulatory authorities who control and monitor the operation of our only casino, the Star. You would be pleased to know that I now have another definition of casino presented to me, which is "casinos are authorised to play approved games," and that seems to me to be about as helpful as the definition that is in the Act.

CHAIR: Which could apply to registered clubs?

Mr BARRY O'FARRELL: That is exactly my point, yes.

CHAIR: Just following up your answer and your reference to the Star casino, and you would know the controversy between the Star casino's proposals and now the Crown Limited proposals?

Mr BARRY O'FARRELL: I have noticed.

CHAIR: How can the community be assured of transparency around the Crown Limited proposal should a binding agreement be reached?

Mr BARRY O'FARRELL: As you know, Mr Chair, that proposal has proceeded to stage three of the unsolicited policy proposals part and of course no agreement has yet been reached. At every stage of that policy the Government can decline to go forward, but should an agreement be reached between Crown Limited and the Government both Crown and the Government agree that all documentation that would authorise and regulate any future Crown casino facilities such as licence, tax rates, guarantees, regulatory requirements and development consent would be made public once a binding agreement was put in place.

I want to say again, Mr Chair, that this is not in any way pre-empting where stage three will end but it goes to the issue that you asked, which is about transparency. I am told that agreement has been reached by government officials and Crown that all those documents would be made public, with the usual probity, personal and commercial in confidence protections that currently exist under the Government Information (Public Access) Act. In the development of those documents no exemptions from normal public consultation processes have been sought or are proposed.

For example, Crown Limited would lodge a development application that would be assessed, consulted upon and determined in the normal way. Similarly, authority for the independent regulator to grant a licence is something that Parliament would have to debate and no doubt interested members of the public would contact their local members as well as members of the upper House to ensure that their views were heard. The import of this today is that it is in stark contrast with the approach that has been taken over recent decades. I am advised that there have been at least 20 separate deeds for agreements covering tax, exclusivity, regulation and compliance—many of which remain in force—that have never been made public over the past couple of decades.

The existence of some of the documents and contents has become public in various settings here and overseas and no doubt the documents contain some probity, commercial in confidence or personal details that should legitimately remain confidential but the Government's view is that the existence of the agreements and contents should generally be made public. To this end I will be asking that as much as possible this documentation should be proactively released in coming months following consultation with the proper authorities, including the independent regulator and Echo.

This approach reflects two important policy principles that the Government has adopted: transparency and competitive neutrality. Let me make clear that this is predicated on an agreement being reached in relation to stage three. I am not prejudging the process, which continues to involve the independent chair, David Murray, and the probity supervisor, former judge Ken Handley, I am simply outlining to the Committee the approach of the Government should a binding agreement be reached.

CHAIR: To summarise what you have been saying, it is a hands-off situation as far as the Government is concerned, in no way influencing the decision on the Crown proposal?

Mr BARRY O'FARRELL: It is a hands-off approach. Government will have to make a decision at some stage because should agreement be reached and Cabinet approves the proposal legislation will obviously come to the Parliament, there would be regulatory and development approvals required and all three of those—Parliament, regulator and planning—would involve the usual community consultation processes and opportunity for people to have their say. Importantly, I am saying today that the proponent and the Government have agreed that once a binding legal agreement is put in place all of the documents covering all of the facets of any proposal that is finally agreed will become public except for the limited aspects that are kept back under the existing laws, principally the Government Information (Public Access) Act 2009. That is in stark contrast with the most recent exclusivity agreement reached by the former Government and the current casino operator which was

never made public and became as we went through this process a revelation to some extent to both the relevant Minister, Mr Souris, and myself as we discovered what elements made up part of that agreement. That should never happen in the future with this Government.

CHAIR: Is there any timetable in your mind as to when this will come to a conclusion?

Mr BARRY O'FARRELL: We are hoping to have the issue resolved by the end of the year.

Dr JOHN KAYE: Do you mean finalisation of stage three?

Mr BARRY O'FARRELL: Yes, the end of the year is a good timeframe.

Dr JOHN KAYE: Just briefly, you are anticipating a result on stage three by the end of the year and then there is both legislation and planning approvals that are required?

Mr BARRY O'FARRELL: There would be legislation if it proceeds, Dr Kaye. There would be regulatory approvals required and of course there would be planning approvals required.

Dr JOHN KAYE: This probably would not be wrapped up and ready to go until midway through next year? I retract that question. It is not up to you to know some of those things.

Mr BARRY O'FARRELL: Thank you, Dr Kaye.

Dr JOHN KAYE: I was not calling you incompetent, Premier.

Mr BARRY O'FARRELL: I was not suggesting that. I thought you were going to be nice today. You cannot upset me today: Robbie Farah has re-signed with Wests Tigers.

Dr JOHN KAYE: That is fabulous. I am so pleased for you, Mr Farah and Wests Tigers.

The Hon. LUKE FOLEY: Was Nick di Girolamo in on that meeting too?

Dr JOHN KAYE: Mr Eccles, are you now or have you ever been a member of a panel appointed within the Treasury whose responsibility it is to vet or assess people who are to be appointed to boards of State owned corporations?

Mr ECCLES: Yes, I have been.

Dr JOHN KAYE: You have been or you currently are?

Mr ECCLES: Both.

Dr JOHN KAYE: When were you appointed to that board?

Mr ECCLES: I cannot recall, but it would have been in the first year.

Dr JOHN KAYE: And you are still a member of that board?

Mr ECCLES: Yes, I am.

Dr JOHN KAYE: And that panel is still active?

Mr ECCLES: Yes, it is.

Dr JOHN KAYE: Can you tell me when that panel last sat?

Mr ECCLES: I can tell you when I last participated on the panel, which would have been perhaps two weeks ago.

Dr JOHN KAYE: Do you sit on that panel or are there other people who sit on that panel as your nominees?

Mr ECCLES: It is either myself or senior executives from the Department of Premier and Cabinet.

Dr JOHN KAYE: Did that panel sit in respect of Mr Chum Darvall and his appointment?

Mr ECCLES: I have no recollection of that, Dr Kaye.

Dr JOHN KAYE: Is this a lapse of memory or you do not think it happened?

Mr ECCLES: It is a lapse of memory; it is not uncommon.

Dr JOHN KAYE: How is your memory with respect to Mr Nick di Girolamo?

CHAIR: Will you take that on notice?

Dr JOHN KAYE: We will get to that in a minute. How is your memory with respect to Mr Nick di Girolamo?

Mr ECCLES: It is of the same status as Mr Darvall.

Dr JOHN KAYE: And with respect to Mr Roger Massy-Greene?

Mr ECCLES: It continues to be of the same state.

Dr JOHN KAYE: You would be aware that all three gentlemen have been mentioned in the media recently?

Mr ECCLES: Yes.

Dr JOHN KAYE: You would read the papers, as I do?

Mr ECCLES: Yes.

Dr JOHN KAYE: Despite that fact you did not refresh your memory with respect to those three gentlemen?

Mr ECCLES: No, I did not seek to refresh my memory concerning those particular individuals.

Mr BARRY O'FARRELL: We are too busy running a Government, Dr Kaye; we are no longer in opposition with hours of time on our plate.

Dr JOHN KAYE: You cannot remember whether the panel sat in respect of those three gentlemen?

Mr ECCLES: No, I cannot.

Dr JOHN KAYE: Could you give me a rough estimate of how many appointments that panel selects in a year?

Mr BARRY O'FARRELL: It does not select them.

Dr JOHN KAYE: It is referred to as a selection panel in the Treasury minute.

Mr ECCLES: It makes recommendations.

Mr BARRY O'FARRELL: You asked about assessment.

CHAIR: It is a vetting panel.

Dr JOHN KAYE: Either way, can you tell us how many appointments it processes?

Mr ECCLES: I can tell you roughly how often I have sat as a member of the panel over two and a bit years. It would be somewhere between 12 and 15 times.

Dr JOHN KAYE: And each time you process a number of members?

Mr ECCLES: Correct.

Dr JOHN KAYE: You are having a lapse of memory today about those three gentlemen but will you get back to us on questions on notice?

Mr ECCLES: Of course.

Dr JOHN KAYE: Can you remember any other appointments that your panel did not process?

Mr BARRY O'FARRELL: Sorry?

The Hon. CATHERINE CUSACK: And on what date and what was the weather that day?

Dr JOHN KAYE: I note that the Government members are making light of this but we have three gentlemen, all of whom are Liberal Party donors, each of whom the Director General cannot recall whether his panel processed or not. I would like to know are there others you are aware of who were appointed to boards?

Mr BARRY O'FARRELL: Before the Director General answers the question, Mr Chair, can I make two points: First, making political donations is a lawful activity under legislation prescribed by this Parliament. The fact that you make a political donation is not something that should disqualify you for anything.

Dr JOHN KAYE: We will get to that in a minute, Premier.

Mr BARRY O'FARRELL: This is what I want to get to. Second, under current legislation donations are restricted to individuals with a cap of \$5,000. We could have got to that in the last Parliament, Dr Kaye, if your Green colleagues in the upper House had supported our amendments to that effect.

Dr JOHN KAYE: Thank you for that history.

Mr BARRY O'FARRELL: It is a bit rich and a bit hypocritical. I understand The Greens—

Dr JOHN KAYE: —Before you call me a hypocrite let me continue with my question.

Mr BARRY O'FARRELL: I understand The Greens like to rewrite history.

Dr JOHN KAYE: I find your language offensive.

Mr BARRY O'FARRELL: Clearly it is hypocritical if you are now going to use as a wedge—

Dr JOHN KAYE: —I will return to the question to Mr Eccles. Is it normal practice that your panel processes all appointments to all State boards?

Mr ECCLES: It is not my panel; it is a panel convened by Treasury, of which I am a member. When I am not able to attend for various reasons other senior officers within the department attend. This is not a lapse of memory that is a device or is convenient, it is the simple fact that I do not attend all of the panel deliberations, I do not sign-off on the output of the panel deliberations where I am not present and so I simply am not in a position to confidently assert to this Committee that the individuals you mentioned were either considered or not.

Dr JOHN KAYE: Premier, can you explain why the Treasurer yesterday would not answer my questions about whether the panel existed? Mr Eccles now tells me it does exist.

Mr BARRY O'FARRELL: I think the Treasurer did answer your question yesterday. He said that our selection process was rigorous, that it was merit based and that it involved decisions made by Cabinet. There is nothing inconsistent with what Mr Eccles—

Dr JOHN KAYE: But my question was about whether the panel still existed and whether it had ever existed.

Mr BARRY O'FARRELL: No, your questions yesterday were about—

Dr JOHN KAYE: I was there and I asked the questions. I asked whether the panel exists. Mr Eccles has now kindly admitted that it does exist, and I thank him for being candid.

Mr BARRY O'FARRELL: The Treasurer repeatedly said yesterday—

Dr JOHN KAYE: He refused to say whether it existed.

Mr BARRY O'FARRELL: He said that there was a rigorous process. I think that by any measure what Mr Eccles has described is part of a rigorous process. The Treasurer said it was a merit-based process. Clearly, what Mr Eccles has described today fits that bill. The culmination of all of this is that Cabinet approves these appointments.

Dr JOHN KAYE: We will get to Cabinet in a minute. Do you know whether the nominations to the respective boards to which Mr Chum Darvall, Nick Di Girolamo or Mr Roger Massy-Greene were appointed were processed by the panel that Mr Eccles now says exists?

Mr BARRY O'FARRELL: No, I do not.

Dr JOHN KAYE: Will you get back to me with that information?

Mr BARRY O'FARRELL: Mr Eccles has already promised to do that. If you want it done in duplicate, which could be called "green tape", I am happy to do that.

Dr JOHN KAYE: There is a code of conduct for Ministers.

Mr BARRY O'FARRELL: There is.

Dr JOHN KAYE: That code requires disclosure of conflicts of interest.

Mr BARRY O'FARRELL: It does.

Dr JOHN KAYE: How are those disclosures made?

Mr BARRY O'FARRELL: There are two processes. They can be declared at a meeting. It is not uncommon if an issue comes up in a meeting for a conflict to be disclosed. It depends on what it is; in other words, whether it relates to a broad class of issues. It would be no surprise that sometimes when farming issues are being discussed some rural-based Ministers or members of Parliament may be seen to have a potential conflict of interest. However, the codes make it clear that it is a broad class. In other instances they are required to bring it to the Premier's attention.

Dr JOHN KAYE: If a Minister submits a Cabinet minute or an Executive Council minute to Cabinet for consideration and the Minister has a specific conflict of interest—not a class of conflict—would he or she need to declare that to you and put that in a register of conflicts of interest?

Mr BARRY O'FARRELL: The code is about removing both the perception and actuality of any conflicts of interest. It requires Ministers to seek to avoid conflicts of interest. It also requires that part of a divestment of a conflict of interest can be notification to Cabinet or to me.

Dr JOHN KAYE: Did Mr Baird declare in that process a conflict of interest when he nominated or was involved in the nomination of Mr Roger Massy-Greene, Mr Chum Darvall and Nick Di Girolamo?

Mr BARRY O'FARRELL: All the Cabinet processes were followed with regard to all of those appointments.

Dr JOHN KAYE: Did he declare a conflict of interest in those cases?

Mr BARRY O'FARRELL: All the Cabinet processes were followed, and that of course included the ministerial code of conduct.

Dr JOHN KAYE: So you are telling this Committee that he declared his conflict of interest.

Mr BARRY O'FARRELL: I am telling this Committee that the Cabinet process was followed, and that process includes the ministerial code of conduct.

Dr JOHN KAYE: Did he have a conflict of interest?

Mr BARRY O'FARRELL: You are the one asserting that.

Dr JOHN KAYE: No, I am asking you.

Mr BARRY O'FARRELL: No, you asserted it. I have refused to debate you on it.

Dr JOHN KAYE: I am asking you now.

Mr BARRY O'FARRELL: I do not think it is worth having a debate about it.

Dr JOHN KAYE: Are you prepared to tell this Committee that he did not have a conflict of interest in those nominations?

Mr BARRY O'FARRELL: No. You are the one asserting that there is a conflict of interest.

Dr JOHN KAYE: I am asking you now. Clear it up now: Did he have a conflict of interest in those nominations?

Mr BARRY O'FARRELL: I have given my answer.

Dr JOHN KAYE: You have not given an answer.

The Hon. CATHERINE CUSACK: The member's time has expired.

Dr JOHN KAYE: We will come back to that.

The Hon. CATHERINE CUSACK: I ask that the time limits be enforced.

CHAIR: They will be enforced. That would be made easier without interjections from members of the Committee.

The Hon. CATHERINE CUSACK: How is the Government delivering a fairer funding model for State schools?

Mr BARRY O'FARRELL: I do not think there is a bigger or more important responsibility for government in this State than education. The Minister for Citizenship and Communities makes the point that this State's greatest assets are not in the ground, they are walking above ground. I am absolutely convinced that he is correct and that is why I often use that line myself. We have a wonderful society and everyone in it has potential—even my good friend Dr Kaye. The job of education is to help unlock that potential so that people can make worthwhile contributions to our community, to our State and to our future.

The fact that we prioritise education is the reason I am delighted that New South Wales was the first State to sign up to the National Education Reform Agreement on 23 April 2013. Through that agreement, the Government has secured an additional \$5 billion in funding for New South Wales students in public, Catholic and independent schools. Funding will be provided on a two-for-one basis. In other words, the education sector

will receive \$3.3 billion in additional Commonwealth funding and \$1.7 billion in new State Government funding. That will be the single largest injection ever of funding into New South Wales schools. I am delighted that over the past few weeks we have achieved national bipartisanship on this issue. This Government wants—and I know that given your contributions in the upper House you agree, Ms Cusack—every child to maximise their potential, and I believe that that agreement will go a long way in doing that. I signed this agreement—and I attracted some criticism for doing so—

Dr JOHN KAYE: Not from me.

Mr BARRY O'FARRELL: That worries me.

Dr JOHN KAYE: I graciously congratulated you.

Mr BARRY O'FARRELL: Thank you. I did so because it is in interests of New South Wales students. It will allow the Government to implement the most ambitious and comprehensive education reforms in this State's history. They include Great Teaching, Inspired Learning, which is introducing ground-breaking reforms to improve teacher quality and performance. I thank Dr Kaye for his support of that measure. They also include Local Schools, Local Decisions, which is providing schools with unprecedented levels of local choice in selection of staff and management of their budgets and maintenance, and the Literacy and Numeracy Action Plan, which harnesses top-quality instructional leadership, combined with an emphasis on individual student needs and early intervention, to improve student outcomes. We all know that unless we get the basic building blocks in place—that is, literacy and numeracy—we cannot hope to develop our students' potential.

The reforms include Every Student, Every School, which is investing an additional \$69 million to support students with a disability by putting a dedicated special education teacher into every government school, and Connected Communities, an Australian-first strategy to drive improved education outcomes for Aboriginal children in 15 of the State's most disadvantaged schools. Since New South Wales endorsed the National Education Reform Agreement, it has been joined by Australian Capital Territory, South Australia, Tasmania and Victoria. The agreement is supported across all sectors. There is no doubt that New South Wales would not have signed up if it had not been supported by all education sectors in this State—not only the public sector but also the Catholic Education Commission and the Independent Schools Council of Australia. The New South Wales Bilateral Agreement with the Commonwealth specifically states that "NSW retains authority to set the directions, conditions and specific arrangements for all NSW schools". I have never bought into the argument put elsewhere that this was a Federal takeover of schools, because that is patently untrue.

Further, the heads of agreement specifies that New South Wales retains responsibility as a system manager for all New South Wales Government schools, giving us the authority to distribute funding within those schools on the basis of our own resource allocation model. That model, which we put in place some time ago, is also reflected in the National Education Reform Agreement. That is another reason that this was an easy decision to make. I am also delighted that, thanks to Dr Eccles, New South Wales also negotiated a no-disadvantage clause. The Commonwealth Government is trying to sign up other jurisdictions to the agreement and if they are given benefits over and above those provided to New South Wales, we have the right to negotiate our deal to reflect the more favourable arrangements. In other words, we can seek—I under the agreement we can demand—compensation for any better deal obtained by any other jurisdiction. That is a good deal for students. It is a good deal for parents. It is a good for teachers.

This National Educational Reform Agreement, I think, is going to mean better information for parents on their children's progress. Overall development and rates of progress will be used as measures of student performance, rather than the achievement of minimum standards. Information will also be used to provide regular feedback to parents—that is at the heart of these reforms—and a better education for every child, as well as better and more accurate information for parents. It will mean literacy and numeracy tutors working intensively with children in the classroom when children are falling behind. It will mean getting the highest quality teachers into the classroom and keeping them there. There will also be greater support for new teachers as they learn their important craft. That will allow experienced teachers to act as mentors and sounding-boards for those new teachers.

There will be annual teacher reviews based on direct feedback on their performance. So, Ms Cusack, in summary I think the reforms mean more resources and a fairer distribution, which aims to achieve higher standards and a better education for every student across the State. A better education for every student across

the State will unlock their potential. Unlocking the potential of our citizens will mean a stronger and brighter future for New South Wales.

The Hon. MATTHEW MASON-COX: Could you outline to the Committee how the Government is helping to create jobs in New South Wales?

Mr BARRY O'FARRELL: One of the commitments we made in the lead-up to the election campaign was to try to ensure that we helped to create 100,000 new jobs over our first four years. I am delighted that since coming to office the figures show that the New South Wales Liberals and The Nationals have presided over a State, New South Wales, in which 115,000 additional jobs have been created. So, just over half-way into the term, we have well and truly exceeded that original election commitment. Despite that achievement we will not be resting on our laurels. As I said in the House yesterday, we need to redouble our efforts if we are to keep the economy strong, keep jobs being created, keep opportunities being created for people and, through all of that, drive the revenue that a government uses in order to provide schools, hospitals, policing and the other facilities that people rely upon.

New South Wales has created more jobs than any other State since we came to Government—more jobs than in Victoria, Queensland, South Australia and Tasmania combined. The July Australian Bureau of Statistics labour force figures show that the State's unemployment rate is currently 5.6 per cent—the second-lowest of all States—and it has been below the national average for 18 consecutive months. This follows New South Wales recording the lowest employment growth of any State during the last decade under the former Government. That fact was confirmed last week by the report put out by the Federal infrastructure Minister and Deputy Prime Minister, Anthony Albanese.

During the last five years of the former Labor Government the New South Wales unemployment rate was on average 0.4 per cent higher than the national rate. If New South Wales had only performed in line with the national average over Labor's last five years, there would have been 13,200 fewer people on the unemployment queues. Under the New South Wales Liberals and The Nationals Government, business has the confidence to grow, to invest and to employ people. We have raised the payroll tax threshold so that additional businesses can look forward to not paying payroll tax, and the remaining will have more than \$3,000 cut off their payroll tax bills. The budget increased the payroll tax rebate available under our Jobs Action Plan from \$4,000 to \$5,000 for every new job created and extended the program for a further two years.

Along with the budget's measures to reduce the payroll tax burden, the State's almost \$60 billion investment in infrastructure such as roads, rail and hospitals is supporting thousands of new jobs and stimulating economic growth. I was delighted this week when a couple of reports came out. ANZ's latest Australian Economic Report stated:

NSW is leading the national economy, which is something that hasn't happened for a decade or more.

Secondly, we had the BIS Shrapnel report, which showed that our civil construction activity was going to increase by 25 per cent up to 2017, at a time when national and other States civil construction activity was declining. What is the import of that? The import of that is that as we invest record amounts of money in projects such as the North West Rail Link, WestConnex, Sydney Light Rail, Pacific Highway upgrades, the hospitals that Jillian Skinner is building and the extra schools that Adrian Piccoli is putting in place they are creating and sustaining jobs. That is what people need as they try to get on with their lives, feed their families, and provide their families with the care and support that they deserve.

Barely a week goes by, Mr Mason-Cox, when I am not in western Sydney welcoming a new employer to the area. That is important because I recognise that western Sydney's unemployment rate is higher than the State's average. It is something that we are working hard on. So, not only are jobs being created but they are being created closer to people's homes in western Sydney, which means less travel time, as we seek to put an end to that massive commute that has always been part of this city.

We have done all of that despite what some might describe as the chaos in Canberra. Business is undoubtedly crying out for a stable Federal Government that understands the need to inject certainty and confidence. There is no doubt that the Federal Labor Government's endless policy shifts, leadership challenges, its pandering to The Greens and its economic incompetence has been the biggest risk not only to the national economy but also to this State's economy. It has hit business confidence which dampens investment and threatens jobs.

We will continue to do our bit. I will continue to join business in hoping that after September 7 we will get a national Government which seeks to put the interests of the economy first, understanding that by putting economic growth at the top of the agenda the Government will be delivering to citizens—whether we are looking at a State or the nation—the future that they expect.

The Hon. LUKE FOLEY: Can we go back to the regulation of lobbyists? One section of the Lobbyists Codes of Conduct, section 7, deals with principles of engagement with government representatives. Are you familiar with that section Premier, or Mr Eccles?

Mr BARRY O'FARRELL: I have to confess, I cannot call it to mind. I assume, as you have been out of the room, that you can; so I will listen to questions.

The Hon. LUKE FOLEY: Subsection 7.1 tells us that lobbyists shall observe a number of principles when engaging with Government representatives. As the person with the delegated authority of the Premier, Mr Eccles, are you familiar with those principles enshrined in section 7 of the code of conduct?

Mr ECCLES: I am rapidly familiarising myself with them.

Mr BARRY O'FARRELL: You might say that we are pulling the code of conduct up onto our tablet screens now.

The Hon. LUKE FOLEY: You have both pulled them up. Excellent. Mr Eccles, what resources does your department throw at ensuring that these principles are abided by, by registered lobbyists?

Mr ECCLES: I am not sure there is any dedicated resource to secure the compliance with the principles. It is largely directed to the lobbyists themselves to, in good faith, determine the way they are going to conduct themselves. They will have regard to the principles in the code. So we do not seek to make judgments around exaggeration of claims—taking 7.1 (c) as an example. We do not have the capacity to reach into every lobbyist, and every engagement by lobbyists with Government, to determine that these principles are ruthlessly complied with.

The Hon. LUKE FOLEY: Can I take from that, Mr Eccles, that self-regulation is the order of the day when it comes to ensuring that the principles of engagement with Government representatives, as outlined in the code, are complied with?

Mr ECCLES: I think self-regulation plays an important part. Nonetheless, there is a requirement on all of those within Government to draw to the attention of the department where they believe that lobbyists have offended the principles. So I think it is a balanced approach rather than an approach which entirely delegates that responsibility to the lobbyists. We do not operate as an independent police force which is out riding the boundaries; we rely upon both the lobbyists and Government representatives to ensure that these principles are upheld.

The Hon. LUKE FOLEY: Section 7.2 provides an obligation on a lobbyist to comply with these principles, does it not?

Mr ECCLES: Yes, it does.

The Hon. LUKE FOLEY: So that is in the realm of self-regulation, but you have told us that government complements that self-regulation with activity of its own to ensure that lobbyists comply with these principles. Is that a fair statement to draw from your earlier answer?

Mr ECCLES: If you mean by "activity" the responsibility of those who are on the other end of a lobbyist to have regard to these principles and to draw attention where these principles are not complied with, then yes.

Mr BARRY O'FARRELL: And, as I said before, there is a good reason that everyone from Minister to public servant should do so, and it is called the Independent Commission Against Corruption, which, I say again, this year has been resourced so that it has its biggest ever budget.

The Hon. LUKE FOLEY: Mr Eccles, as the person with the delegated authority from your Premier—

Mr BARRY O'FARRELL: On the legislation.

The Hon. LUKE FOLEY: Indeed. As the person with the delegated authority to ensure that the code is complied with, have you received complaints from within the Government about breaches, or potential breaches or alleged breaches, of the principles of engagement with Government representatives?

Mr ECCLES: Not to my recollection.

The Hon. LUKE FOLEY: Not to your recollection. Will you take it on notice and give it a definitive answer?

Mr ECCLES: I will.

The Hon. LUKE FOLEY: But there are none that spring to mind today?

Mr ECCLES: No.

The Hon. LUKE FOLEY: If you were alerted to clear, emphatic breaches of these principles, would they be grounds, potentially, for deregistration from the lobbyist register?

Mr ECCLES: I would need to remind myself what the sanctions are within the code that would relate to any offence.

The Hon. MELINDA PAVEY: This is budget estimates, not hypotheticals.

The Hon. LUKE FOLEY: Could I take you to section 8.3, Mr Eccles?

Mr ECCLES: That is fairly unambiguous, Mr Foley.

The Hon. LUKE FOLEY: Unambiguous?

Mr ECCLES: It would seem to be.

Mr BARRY O'FARRELL: But I just make the point that it does say "may".

Mr ECCLES: It may, at my discretion. Of course, before even thinking about entertaining my discretion I would get the advice of my general counsel as to the appropriate interpretation to be placed upon both the conduct and the sanction.

The Hon. LUKE FOLEY: Section 8.3 gives you the power to remove from the register of lobbyists a part or all of the details of the lobbyist, does it not?

Mr ECCLES: Yes it does.

The Hon. LUKE FOLEY: That is the heaviest penalty within the code of conduct, is it not?

Mr ECCLES: It would seem so.

The Hon. LUKE FOLEY: The Premier refers to other potential avenues where there is misconduct by a lobbyist or a government official on the end of lobbying. That is to go to the ICAC, is it not?

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: But in terms of the code itself, the biggest stick you wield—

Mr ECCLES: Is removal.

The Hon. LUKE FOLEY: —is removal from the lobbyists register?

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: But you have not had cause, to date, to remove anyone for a breach of the principles of engagement with government representatives, have you?

Mr ECCLES: I have no recollection of that, and because of the seriousness of the sanction I expect that that recollection would be present if I had.

The Hon. LUKE FOLEY: Indeed. The removals that have occurred to date have been for a failure to keep up with the annual paperwork returns required at section 5, is that correct?

Mr ECCLES: They are certainly the ones that come to mind as a category of removal.

The Hon. LUKE FOLEY: Section 7.1 provides five principles outlined at paragraphs (a), (b), (c), (d) and (e), does it not?

Mr ECCLES: Yes, it does.

The Hon. LUKE FOLEY: Do you give all of those principles equal weight in administering the code of conduct?

Mr ECCLES: There is no basis within the code for me to apportion weight to any one over the other. They appear to have equal weight.

The Hon. LUKE FOLEY: Could I take you to section 7.1 (d)? That tells us that lobbyists shall keep strictly separate from their duties and activities as lobbyists any personal activity or involvement on behalf of a political party, does it not?

Mr ECCLES: Yes it does.

The Hon. LUKE FOLEY: What do you do, Mr Eccles, to enforce section 7.1 (d)? Do you proactively or do you deal with complaints if and when they arise?

Mr ECCLES: I cannot recall any incidents of either proactivity on my part, which would be probably at the instigation of my general counsel, who keeps probably a closer watch on my behalf on my responsibilities under the code.

The Hon. LUKE FOLEY: But if you received a complaint—

Mr ECCLES: Yes, if I received a complaint then clearly that would be assessed.

The Hon. LUKE FOLEY: By you and your general counsel?

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: And potentially, if a complaint was upheld, the strongest sanction that you could apply is to remove a lobbyist from the register?

Mr ECCLES: That is correct.

The Hon. LUKE FOLEY: Mr O'Farrell, you hold a seat on the State Executive of the Liberal Party by virtue of your office as leader of the State parliamentary Liberal Party, do you not?

Mr BARRY O'FARRELL: That is true, and what is also true is that, happily, I rarely, if ever, attend.

The Hon. LUKE FOLEY: There are many of your fellow members of the State Executive of the Liberal Party who work as lobbyists, are there not?

Mr BARRY O'FARRELL: I can think of one. I am not sure how many others do.

The Hon. LUKE FOLEY: Let us start with one. Who is the one who springs to mind?

Mr BARRY O'FARRELL: I presume it is the same one you are thinking of.

The Hon. LUKE FOLEY: Who would that be?

Mr BARRY O'FARRELL: Mr Photios?

The Hon. LUKE FOLEY: I will get to him later.

Mr BARRY O'FARRELL: I thought you were thinking of him.

The Hon. LUKE FOLEY: Country vice-president Holly Hughes works for lobbying company Australian Public Affairs, does she not?

Mr BARRY O'FARRELL: I do not know that myself as a matter of my interest, but I am happy to take your advice on that.

The Hon. LUKE FOLEY: Felicity Wilson, female vice-president, works as an in-house lobbyist for Caltex, does she not?

Mr BARRY O'FARRELL: I did not know what her job was. Thank you.

The Hon. LUKE FOLEY: President Chris Downy heads up the Australian Wagering Council, does he not?

Mr BARRY O'FARRELL: I have read that, yes.

The Hon. LUKE FOLEY: Young Liberal president Simon Fontana works as the Senior Manager, Corporate Affairs, eBay Australia and New Zealand, does he not?

Mr BARRY O'FARRELL: I did not know that, but I am happy to take your word on it.

The Hon. LUKE FOLEY: He used to work for Pru Goward.

Mr BARRY O'FARRELL: I knew that.

The Hon. LUKE FOLEY: She could have done with him the other day.

Mr BARRY O'FARRELL: Pru did very well.

The Hon. LUKE FOLEY: The Urban representative Damien Jones works for lobbyist CPR, does he not?

Mr BARRY O'FARRELL: I again take your word on that. I did not know that.

The Hon. LUKE FOLEY: As you identified earlier, Mr Michael Photios, an Urban representative on the State Executive, runs the lobbyist firm PremierState, does he not?

Mr BARRY O'FARRELL: I knew that, yes.

The Hon. LUKE FOLEY: And his fellow Urban representative, a Mr Joseph Tannous, owns a firm called 1st State. Are you aware of that?

Mr BARRY O'FARRELL: I think I was aware that he was a lobbyist. I did not know the name of the company. Thank you.

The Hon. LUKE FOLEY: Are you confident that all of your colleagues on the State Executive who engage in lobbying activities are complying with, first, the Lobbying of Government Officials Act 2011?

Mr BARRY O'FARRELL: They are required to by the law and if there is a failure by them to do so there are penalties that apply. But I make the point that I have made time and time again in Parliament and outside of Parliament: I have no idea why people employ lobbyists. If people want to come and see members of my Government they do not need to waste dollars with lobbyists, they simply need to ring up and seek an appointment.

The Hon. LUKE FOLEY: Why do people set themselves up as lobbyists?

Mr BARRY O'FARRELL: It is a trend that has existed in this country increasingly for the past 20 years. I think it was pioneered by Walt Secord's friend on the other side, Bruce Hawker, a former press secretary to John Hewson. They created Parker and Parker, and I think that for a while they almost had the field to themselves. But increasingly we have seen an explosion not only in this State but around the country. For the life of me, while there clearly is a business model, I do not know why people waste their money on them.

The Hon. LUKE FOLEY: Can I put to you that what is new is the growth in representation of registered lobbyists on the State Executive of your party? That is not something that occurred under Mr Hawker or Labor aligned lobbyists, is it?

The Hon. MELINDA PAVEY: They just ran the show.

Mr BARRY O'FARRELL: If we want to discuss Bruce Hawker's relationship with State and Federal governments I am happy to do so, but I suspect it is a much closer relationship than anything that exists in New South Wales.

The Hon. LUKE FOLEY: So you are confident that the seven lobbyists to whom I have referred, who sit with you on the State Executive of the Liberal Party, are meeting their legal obligations under the lobbyists code of conduct?

Mr BARRY O'FARRELL: I would expect them to meet their legal obligations or face the consequences.

The Hon. LUKE FOLEY: And what are the consequences?

Mr BARRY O'FARRELL: There is a range of consequences that you have been going through.

The Hon. LUKE FOLEY: Including removal—

Mr BARRY O'FARRELL: Including removal.

The Hon. LUKE FOLEY: —from the lobbyists register?

Mr BARRY O'FARRELL: Which presumably means removal of livelihood.

The Hon. LUKE FOLEY: Mr Eccles, I take you to section 7.1 (b), which provides:

Lobbyists shall use all reasonable endeavours to satisfy themselves of the truth and accuracy of all statements and information provided to parties whom they represent, the wider public, governments and agencies.

What, if anything, do you and your general council do to enforce that principle of engagement under the code?

Mr ECCLES: I would imagine it is the same as in relation to section 7.1 (d). We would rely principally upon the advice of others as to whether that principle has been offended.

The Hon. LUKE FOLEY: If a complaint came to you regarding untruthful or inaccurate statements provided to parties that lobbyists represent and/or engage with, would you deal with those complaints?

Mr ECCLES: Yes.

The Hon. LUKE FOLEY: And the sanction, once again, is covered by section 8 of the code, which includes the potential to be removed from the lobbyists register, does it not?

Mr ECCLES: Yes it does.

The Hon. LUKE FOLEY: Section 7.1 (c) bars lobbyists from exaggerating how influential they are, does it not?

Mr BARRY O'FARRELL: It seems like an oxymoron to me, but it does.

Mr ECCLES: Yes it does.

The Hon. LUKE FOLEY: Are you aware of any exaggerations or extravagant claims made by lobbyists on the register about their ability to deliver results?

Mr ECCLES: I would imagine that exaggeration and extravagance is often in the eyes of the beholder. "Misleading" is a slightly more definitive concept to try to judge. Exaggeration and extravagance is, I would imagine, a bit more difficult for me to make a meaningful assessment.

Mr BARRY O'FARRELL: To pick up Mr Foley's question, which I think he may have got slightly wrong, I am not sure whether he is suggesting that they are exaggerating or making elaborate claims on the register.

The Hon. LUKE FOLEY: No.

Mr BARRY O'FARRELL: That is what your question said. I think the register is simply a straight out list of who, and phone number, address, all those sorts of things.

The Hon. LUKE FOLEY: Yes. In the conduct of business as a lobbyist, if a lobbyist were to say, "I sit on the State Executive of the Liberal Party; therefore I can deliver results for you if you pay me to be your lobbyist", would that draw your attention as a potential breach or something warranting investigation under section 7.1 (b) of the code of conduct?

Mr ECCLES: I am not sure it falls into the category of being an extravagant claim.

Mr BARRY O'FARRELL: I missed the claim. Can you repeat it?

The Hon. LUKE FOLEY: I will ask you, Premier—

Mr BARRY O'FARRELL: No, I am just interested in the claim. I am happy for you to ask Mr Eccles questions.

The Hon. LUKE FOLEY: For example, if a lobbyist was to say, "I sit on the State Executive of the Liberal Party. I can deliver results for my clients by virtue of holding office on the State Executive of the Liberal Party", do you think that matter would be covered under section 7.1 (b) of the code?

Mr BARRY O'FARRELL: That is potentially a matter I would refer to the Independent Commission Against Corruption.

The Hon. LUKE FOLEY: Mr Eccles, in your experience over the past two years as the man with delegated authority to regulate the activities of lobbyists, has any such alleged breach been drawn to your attention?

Mr ECCLES: My recollection is that no-one has brought my attention to anything as it relates to a breach of the principles of engagement, including a breach of section 7.1 (c).

[Time expired.]

CHAIR: What is your response to the upper House report into the question of the constitutional issue of same-sex homosexual marriages being legalised in New South Wales?

Mr BARRY O'FARRELL: In April I expressed my personal view in relation to what is generally described as marriage equality. One aspect of my personal view was that I believe that if marriage equality is to

be legislated it should be legislated at a national level. My view about it—I will get to the Legislative Council inquiry specifically—being legislated nationally relates to the action that the Menzies Government took in 1961 to assume responsibility for marriage. The work that was done by I think Garfield Barwick in putting together the Marriage Act 1961 for Prime Minister Menzies sought to overcome what was at best a patchwork quilt of marriage laws across the nation that at various times, including close to the period it was put in place, had seen different laws apply in different States; there were different ages at which what we might now term "children" were able to be married, and some parts of the nation still required Indigenous citizens to seek permission from authorities before they were married.

Clearly we had a mess. Clearly, reformist legislation was put in place by someone who, when we look back to these days, is not regarded as a reformist but who I think delivered a pretty effective clearing up of what I think is important legislation. I have read with interest the Legislative Council's report. I note that the media reporting of it, in my view, slightly overemphasised one point. The Committee found that technically it is possible for this State Parliament—and arguably for other State parliaments—to legislate for marriage equality. But it also found that it was likely that such legislation would be subject to a High Court challenge. It also found—I have had this discussion subsequently with the Chair of the Committee because it disturbed me—that a whole range of other issues flow through. Not every relationship, not even same-sex relationships, ends as a fairytale does. There can be separation, divorce, a requirement to separate properly and the like. One thing the Committee noted was that if, for instance, New South Wales went it alone, if marriage equality was permissible here, even if perhaps it was being subject to a challenge down the track, if a marriage was made and registered and there was a subsequent break-up, how would we handle the dissolution of that marriage and the property matters?

As someone who has personally expressed their views of support for marriage equality, I still remain of the view that I would like to see it addressed at the national Parliament. I have made clear that I think that is the best way to ensure that whatever happens across this country does happen across the country. I also say, Mr Chair, and I accept it puts you and I at odds on this point, that I just cannot rationalise why I would deny to one section of the community the benefits of a close, loving, caring relationship that so many of us are fortunate to enjoy.

CHAIR: In view of the policy announced by Mr Rudd that within 100 days he will ensure a bill will be introduced in the Federal Parliament, and that Tony Abbott, on behalf of the Coalition, maintains his position of a no-conscience vote for Coalition members—and you are a member of that party—are you willing to review your policy of insisting on a conscience vote in the New South Wales Legislative Council if the matter is raised in view of that committee's report?

Mr BARRY O'FARRELL: Two issues: We operate as a State party. We have different party rules between Federal and State parliamentary parties. I suspect there are different rules amongst the different parliamentary and Territory parties of our party. We have a very strong tradition in New South Wales in relation to social legislation that does enable, and normally provide for, a conscience vote. I accept that the rules are different federally. I accept that the way in which these decisions are made at a Federal level will ultimately be a matter for the parliamentary leader and the Federal parliamentary Liberal Party, and I do not seek to offer them advice.

I say that in relation to the way in which we have sought to apply the conscience vote in New South Wales in all the time that I have been a member of State Parliament, which is now 18 years, there are issues that centre around issues like euthanasia, abortion and issues like this where there are strongly held views on both sides of the argument within the community. I think that conscience votes are a good thing, not a bad thing because they require members of Parliament to fulfil their basic representational duties. Whilst at times I have been on both sides of public opinion in relation to conscience votes that have been held in the House, I have noticed that as long as members of Parliament are able to enunciate their views and make a case for them, even if we meet people who do not agree with us, they at least accept that you have made that case.

For instance, I did not support euthanasia when it was subject to debate in this Parliament more than a decade ago, but I tried hard to make what I thought was a balanced and persuasive speech. I met many people afterwards, within my own electorate, who were strongly supportive of euthanasia but who recognised that I had a view, and they understand what that view is, and they seem to respect it, but they did not agree with me.

CHAIR: Do you agree that on controversial issues such as same-sex marriage the leader of a party wishing to be elected—in your case as Premier—should have sought a mandate from the electorate and

announced your policy and said that you would have a conscience vote, when the voters assumed the Coalition policy was to oppose same-sex marriage?

Mr BARRY O'FARRELL: Two things: I am not sure that marriage equality was on the State political agenda in New South Wales.

Dr JOHN KAYE: Not for want of our trying.

Mr BARRY O'FARRELL: I was about to give The Greens—I will now change it. Until recently, there were no suggestions that there was the likelihood of legislation being presented to the New South Wales Parliament. I made very clear as of March 2011 that marriage equality was not a view that I held. It is a view, as I think I explained in interviews after I made my statement about my personal view, that I had thought about because of a number of things that had happened nationally and internationally. I had thought about it because of a number of statements and comments made by people that I know and like and respect, like John Key in New Zealand.

One morning I was in my kitchen at home, unusually sharing breakfast with my wife, and something came on probably Adam Spencer's program or the 7.45 a.m. ABC news about same-sex marriage. I said to my wife, "Can you get very excited in opposition to that concept?" She said, "Not really" and we then started to have a conversation. It is something, Chairman, and I do not know whether it has ever happened to you in your life, where when you closely look at and think about an issue and talk to your friends who may or may not be affected, you find your views have changed. So I expressed a personal view and I did so in the aftermath of the vote in New Zealand.

I do not resile from my personal view, but to answer your question: If marriage equality had been on the agenda in New South Wales at a State level before the last election, and if we had taken a policy to the last election in opposition to it, I would have sought, as I have sought with all of my promises, to maintain faith with the community on that issue. It was not. I do find myself, as I have said, changing my view this term. I have expressed that view publicly. I did so because I knew that at some stage I might have to make a vote in relation to what would be the outcome of the Legislative Council inquiry that I helped initiate to see whether we could determine the legal status. I say again, Chairman, without in any way wishing to be aggressive or confrontational, I do accept that we have a difference of view on this matter. I also accept there is a strong difference of view in the community too.

Dr JOHN KAYE: I refer to a letter dated 6 August 2013 written by Susan Bruce, your principal private secretary, to Martin and Marion Tebbutt in respect of their claim for \$400,000 that they claim is owed to them against a Crown lease. This matter relates back to the former Government. The local member, Ray Williams, said that the way the previous lands Minister, Tony Kelly, had dealt with the Tebbutts was a matter of common theft. Mr Premier, your then spokesperson on Finance, Greg Pearce, had advocated on behalf of the Tebbutts. Now that you are in office, the 6 August letter is a brush-off. The Tebbutts have been bounced between various offices. Why was the Tebbutts case sufficiently just when you were in Opposition and you, the local member Mr Williams, and the shadow Minister for Finance spoke out in favour of them and vigorously advocated on their behalf, but now you are in office you just jump then between Minister and Minister, and in the end they end up with nothing but a brush-off?

Mr BARRY O'FARRELL: First, the latest contact I had with the family was at the Penrith community Cabinet meeting where questions were asked and answered. I know some paperwork was provided. I did not see Ms Bruce's letter before it issued. I do not know what prompted that letter, but I do know that the member for Hawkesbury has been vigorous in his representations. I also know that there have been a number of occasions over the time that we have come to office where a view in Opposition was one thing, but when we have come into government and sought to make representations appropriately about decisions that have been made, the advice has been provided, and it is not unusual for sometimes that advice to say, in fact, the original decision was correct.

I am not saying that in relation to this matter because I would like to see the files. I assure Dr John Kaye, and I do this knowing the vigour with which Ray Williams represents his electorate and his electorate's interests across government, and has done so since his election to the Parliament—I would like to see the file—that I do know that Mr Williams has been pitching for them.

Dr JOHN KAYE: It would be fair to say that the Tebbutts have a reasonable case for feeling very disappointed with the Coalition?

Mr BARRY O'FARRELL: What is the alternative, Dr Kaye? If the evidence suggests—and again I go to the hypothetical because I am not going to go to their case—that in opposition information is presented to you in which you say, "We will look at in government", and if in government information is presented to you that puts that information in a different light or confirms that it is right, you want us to reject that evidence and make a partial decision on behalf of an individual or an interest? Can I suggest that is action that can get governments and individual Ministers in trouble.

Dr JOHN KAYE: Lastly, Minister, can I get you to undertake to review the matter. I will take nod as a yes? *Hansard* will show that as a yes?

Mr BARRY O'FARRELL: I actually missed your question, Dr Kaye, so if you want to repeat it I am happy to respond.

Dr JOHN KAYE: You will undertake to review the file?

Mr BARRY O'FARRELL: Not personally. I will get the appropriate Minister to review it. It is Cabinet government and there are 21 Ministers. They are people that I have confidence in; that is why they are called Ministers and I expect them to do their job and I expect them to be accountable for their decisions.

Dr JOHN KAYE: I am glad to hear that, Premier. Let us go to one of those Ministers; let us go specifically to your Treasurer and his nomination of Mr Roger Massy-Greene, Mr Chum Darvall and Mr Nick di Girolamo. I ask you one more time: Did he declare a conflict of interest with respect to those three people?

Mr BARRY O'FARRELL: I say again, Dr Kaye, in the simplest of languages—it might even be termed tabloid language—that Cabinet processes were complied with. That includes the ministerial code of conduct, so therefore it follows.

Dr JOHN KAYE: Does a donation in that situation create a conflict of interest?

Mr BARRY O'FARRELL: It may or it may not. For instance—and there is no suggestion this was the case—if the Reverend Nile came to me and said that in exchange for a significant donation he wanted to be a member of a certain board it would absolutely be a conflict of interest and hopefully, Chairman, I would have said to you, "That is inappropriate; it won't happen", and therefore I would have divested myself of that conflict of interest.

CHAIR: It would never happen.

Mr BARRY O'FARRELL: It would never happen, I agree with that. You would be more likely soliciting a donation from me.

Dr JOHN KAYE: Let us be clear here. In the case of Mr Massy-Greene, Mr Darvall and Mr di Girolamo, they had each made donations to the Liberal Party and they were subsequently appointed to State-owned corporation boards.

[*Interruption*]

Catherine, you are being really disrespectful.

CHAIR: There will be no comments from Committee members.

Mr BARRY O'FARRELL: I think everyone else is being really patient but that is okay.

Dr JOHN KAYE: They were appointed to boards and they had made donations. Do you think in that specific circumstance there is a conflict of interest when a Minister who has received donations from one of those gentlemen makes a nomination of that individual to the board? Is that a matter that you believe should be declared?

Mr BARRY O'FARRELL: I believe that our board appointments were made and future board appointments are made on the basis of merit—that those who are appointed can do the job. I make the point that before the last election anyone in business who wanted to see the State revived and grow was legally, under the laws that had been established, allowed to make donations to political parties and many of them did so, but that can apply to people in the business community who made donations to my side of politics as much, when it comes to board appointments, as it can apply to someone like Michael Knight, who we recently reappointed as chairman of the Sydney Olympic Park Authority.

Dr JOHN KAYE: You will not give me a yes or no answer on that?

Mr BARRY O'FARRELL: Did I ever think in opposition that I would appoint Michael Knight to anything? No. Did I ever think when I sat in Parliament with Michael Knight that I would appoint him to anything? No. But have I been impressed by Michael Knight's work over the two years that I have been the Premier in growing the Sydney Olympic Park Authority? Yes. Am I surprised by that? Absolutely. So another change for you, Chairman; forgive me.

Dr JOHN KAYE: Whether you like Michael Knight or not is not relevant here. I am asking for you to give me a yes or no answer on a question I have asked you?

Mr BARRY O'FARRELL: It depends on the circumstances, Dr Kaye.

Dr JOHN KAYE: You know the circumstances of Roger Massy-Greene, Chum Darvall and Nick di Girolamo?

Mr BARRY O'FARRELL: All of whom have business careers. No-one has suggested that they are not meritorious appointments.

Dr JOHN KAYE: Why will you not tell us now whether or not the Treasurer made a disclosure?

The Hon. MELINDA PAVEY: You do not reveal Cabinet discussions.

Mr BARRY O'FARRELL: John, you just expose yourself as so bitter and twisted about the fact that you will never sit in Cabinet one day.

Dr JOHN KAYE: So the point is, Premier, that you are covering for your Treasurer?

Mr BARRY O'FARRELL: No.

Dr JOHN KAYE: You are covering up for your Treasurer. Is it not true—

CHAIR: Dr Kaye, would you ask questions rather than resorting to speeches.

Dr JOHN KAYE: Is it not true, Premier, that you are covering up for your Treasurer, who dodged up the process; he did not put those three nominations through the assessments panel. He did not declare whether or not he had a conflict of interest with respect of those three. He is in trouble and you are covering for him?

Mr BARRY O'FARRELL: What have you taken this morning, John?

Dr JOHN KAYE: That is insulting. Why won't you answer my question?

Mr BARRY O'FARRELL: So are your lies.

Dr JOHN KAYE: Why won't you answer my question? I am asking questions.

Mr BARRY O'FARRELL: I have sat here for an hour and a half.

Dr JOHN KAYE: I am asking questions and you are not answering them. The people of New South Wales have a right to have an answer to those questions.

Mr BARRY O'FARRELL: Chairman, can I just respond? I am disturbed—

Dr JOHN KAYE: Yeah, that's true—

Mr BARRY O'FARRELL: —by the lies put forward in that question because one of the things—

Dr JOHN KAYE: So you are denying all of them? You are denying each of those facts?

CHAIR: No, the Premier is answering your allegations.

Mr BARRY O'FARRELL: I am absolutely concerned, Reverend Nile. I have sat here for an hour and 35 minutes. Dr Kaye in his question just said that three people did not go through an assessment process. There has been no such evidence that three people did not go through an assessment process. What the Director General of the Department of Premier and Cabinet said is that he would take that question on notice. So once again we have from The Greens an allegation of slur, a lie.

Dr JOHN KAYE: You know yesterday the Treasurer refused to answer the question.

CHAIR: The Premier is answering your allegation.

Mr BARRY O'FARRELL: Can I say again—

Dr JOHN KAYE: You are playing games, Barry.

Mr BARRY O'FARRELL: At least I am not telling lies, John. I say again, as I have said on three occasions now, the Treasurer complied with Cabinet processes. The Treasurer complied with the ministerial code of conduct and therefore the situation rests. [*Time expired.*]

The Hon. MELINDA PAVEY: Premier, could you explain to the Committee how the Government is protecting the community from gun crime?

Mr BARRY O'FARRELL: Thank you, Ms Pavey. We are determined to try to eliminate the scourge of gun crime across the State, whether that gun crime is disturbing people in Sydney at the present time in relation to drive-by shootings or as we have seen in recent times in both city and country where guns are used in domestic violence situations. In order to try to tackle this issue we need a coordinated approach from the Police Force, taking guns off the streets and ensuring weapons are safely stored and registered.

Unfortunately our efforts have not been assisted by a Federal Labor Government that has slashed the customs budget, opening up our borders to illegal weapons, but I will come back to that in a moment. The first step in protecting the community is to make sure that law-abiding gun owners—the farmers, conservation hunters and sporting shooters of the community—keep their registered weapons safely. Despite misinformation being spread I have been assured that the NSW Police Force has appropriate security mechanisms in place to protect its firearms data from being accessed inappropriately.

A security risk assessment was undertaken of the firearms registry in September of last year and that assessment found there was no evidence to suggest that the registry had been compromised or illegally accessed. Since 2011 the safe storage database has been held in a controlled access environment and is subject to a full audit trail. Access is only available with the approval of a commissioned officer. The location of premises with firearms storage that have been audited are no longer included in the title field of the computerised operational policing system, otherwise known as COPS, and so are no longer available during record summary searches. The safe storage database user guide no longer includes live data such as the names of registered firearms owners. The NSW Police Force has discontinued the practice of using pigeonholes in police stations to task officers to undertake storage audit inspections.

Firearms Registry factsheets have been updated to reinforce the need to protect sensitive information. We have improved the system that we inherited from Labor and are determined to do even better. That is why last month the police Minister announced a review of the Firearms Registry to ensure that it is meeting community expectations with specific regard to public safety and customer service. The review will also scope out the necessary overhaul of the registry's information technology systems, including the creation of a new smart card firearms licence regime.

Five million dollars has been earmarked for the smart card licencing system to ensure that firearms, ammunition and accessories are only available to those with a legitimate need to possess them. The proposed new system will further protect owner details and ensure that legitimate reasons for purchasing firearms and ammunitions are easily established at the point of sale to help keep illegal guns and ammunition off our streets. It will also free up valuable police time that is taken up performing time-consuming inspections of record books held by firearms dealers by placing all information on-line and accessible for authorised police use.

The NSW Police Force is doing an excellent job of cracking down on illegal firearms on our streets. Operation Apollo was established in Sydney in February 2013 and has already made 371 arrests, seized illegal drugs with an estimated value of over \$500,000 and retrieved over 80 firearms. Operation Spartan has made 732 arrests, seized or located 57 firearms and searched 7,345 people and 2,857 vehicles. Strike Force Raptor has made 2,196 arrests, seized 553 firearms and over \$2.69 million in cash in addition to numerous drug seizures. Strike Force Kinnarra has seized 15 firearms, about 2,500 rounds of ammunition and drugs with an estimated street value of approximately \$835,000.

Despite the scare campaign being run by the Leader of the Opposition and others the reality is our police are delivering results. If New South Wales Labor wanted to be helpful when it comes to gun crime in Sydney they should have been on the phone to their Canberra colleagues demanding stronger border protection. Unfortunately Federal Labor's efforts to help us tackle gun crime have focussed on slashing budgets for border protection and the Federal police. In the recent budget the Commonwealth Government cut \$61.4 million from Customs' budget, including \$14 million from Customs' border protection and enforcement program and \$45.2 million from the Australian Federal Police.

What that means is that when it comes to sea and mail cargo there are now fewer inspections than there were under the former Howard Government. This Government is focussed on keeping the community safe from the scourge of gun crime. Despite misinformation campaigns and porous borders delivered by Federal Labor this Government is getting on with the job of improving community safety. This Government has given the Police Force the manpower and the practical police powers to help them successfully fight these criminals with guns. I note that Dr Don Weatherburn from the Bureau of Crime Statistics and Research states in relation to crime in New South Wales, including violent crime, that it is at the lowest it has been since 1990. In the words of Dr Weatherburn, "New South Wales is a far far safer place than it was in 1990 or 2000".

I want to see the end of gun attacks on our streets; targeted or otherwise. The way to do that is by supporting police and stopping the import of handguns into New South Wales. The Commissioner of Police tells me that 90 per cent of all drive-by shootings involve handguns. Australia does not manufacture handguns. They are entering Australia illegally. We saw evidence of that when the New South Wales police last year intercepted 300 Glock pistols coming into New South Wales via the post through an Australia Post subagency. It was not picked up by Customs or the Federal Police but picked up by the State Police Force. That is why we need the Federal Government to accept its responsibilities in relation to these matters.

The Hon. CATHERINE CUSACK: We would like to reserve further questions at this stage.

The Hon. LUKE FOLEY: Premier, your colleague on the State executive, Mr Joseph Tannous, is a man known to you?

Mr BARRY O'FARRELL: Yes; not particularly well, but yes.

The Hon. LUKE FOLEY: He currently sits on the Federal target seats committee of the Liberal Party alongside many State and Federal party leaders, he tells us. Are you aware of that?

Mr BARRY O'FARRELL: No.

The Hon. LUKE FOLEY: Do you sit on the Federal target seats committee of the Liberal Party?

Mr BARRY O'FARRELL: Happily, no.

The Hon. LUKE FOLEY: He managed your successful campaigns in Drummoyne and Strathfield in 2011, did he not?

Mr BARRY O'FARRELL: I thought that the eminent president of the Senate managed those campaigns but if others are claiming credit, good on them.

Dr JOHN KAYE: Who?

The Hon. LUKE FOLEY: Don.

Mr BARRY O'FARRELL: I thought Don was managing those campaigns.

The Hon. LUKE FOLEY: Perhaps it is an exaggeration. You are not aware that Mr Tannous claims that he managed the election winning results in the seats of Drummoyne and Strathfield in 2011?

Mr BARRY O'FARRELL: I am not aware of that claim.

The Hon. CATHERINE CUSACK: There was a lot of help, especially from Labor. They managed our campaign for us.

Mr BARRY O'FARRELL: I wish I'd thought of that.

The Hon. LUKE FOLEY: I will give you that one, Ms Cusack. You are aware that Mr Tannous has established a company and had it registered by your department on the register of lobbyists and that term is called 1st State Government and Corporate Relations; are you aware of that?

Mr BARRY O'FARRELL: You told me that and I accepted that the last time you raised it.

The Hon. LUKE FOLEY: Could I read you a statement from Joseph Tannous's LinkedIn profile? I would be happy to table it and give a copy to the Premier and his director general if they seek it. It states:

Joseph currently holds a number of senior positions within the NSW Liberal Party, in these roles, he enjoys constant contact with elected representatives from across the political divide enabling him to attain the desired results for his clients.

Do you think that statement is a breach of the Lobbyist Code of Conduct, Premier?

Mr BARRY O'FARRELL: I will defer to the director general. It is not a statement I am aware of. I notice he said "across the political divide," so it seems to be a slight exaggeration, but I will defer to the director general.

Mr ECCLES: Mr Foley, in view of the seriousness of the sanctions that attach to any conclusion about principles being offended I would rather not provide a view without proper consideration and having regard to the advice of my General Counsel around any specific matters you raise.

The Hon. LUKE FOLEY: Will you seek advice on whether Mr Tannous is in breach of the Lobbyist Code of Conduct?

Mr ECCLES: You have drawn to my attention a particular circumstance and we have a responsibility to review that.

The Hon. LUKE FOLEY: Would you like me to provide you with the document I am quoting from?

Mr BARRY O'FARRELL: If it is LinkedIn it is on social media.

Mr ECCLES: I should be able to find that.

Mr BARRY O'FARRELL: I did not think you were a LinkedIn person?

The Hon. LUKE FOLEY: I am not.

Mr BARRY O'FARRELL: Nor am I.

The Hon. LUKE FOLEY: I have copies for the witnesses and all members of the Committee of the LinkedIn profile of Joseph Tannous.

Mr BARRY O'FARRELL: Can I update something raised earlier. I do not, thankfully, go to executive meetings of the Liberal Party except on rare occasions. There are 21 members of the New South Wales Liberal Party State Executive. Three of the 21 are registered lobbyists, as I understand it: Holly Hughes, Michael Fotios and Joe Tannous.

The Hon. LUKE FOLEY: Let us deal with Mr Tannous; we can get to the others later. For a lobbyist to boast of the fact that he holds a position within the New South Wales Liberal Party that enables him to attain the desired results for his clients is surely a breach of the Lobbyist Code of Conduct, is it not?

Mr BARRY O'FARRELL: I will defer to the director general, whose responsibility it is to make decisions on these matters.

The Hon. CATHERINE CUSACK: It is called due process, Luke. It is a really novel concept.

The Hon. LUKE FOLEY: Earlier in answer to a question you said that if statements were being made that members of the State executive of the Liberal Party were able to achieve results for clients—

Mr BARRY O'FARRELL: I think you said "access" in that question.

The Hon. LUKE FOLEY: Will you refer Mr Tannous to the Independent Commission Against Corruption?

Mr BARRY O'FARRELL: I will take advice from the director general. However, I think your question change slightly. You should check the transcript.

The Hon. LUKE FOLEY: I am happy for you to clear it up.

Mr BARRY O'FARRELL: We will wait for the transcript.

The Hon. CATHERINE CUSACK: The point Mr Foley is making is not here. It says move constantly into the future.

The Hon. LUKE FOLEY: Mr Chairman, will you please shut Ms Cusack up?

Mr BARRY O'FARRELL: It is a good point. The reference to which Mr Foley is referring.

The Hon. LUKE FOLEY: I will read it.

Mr BARRY O'FARRELL: Which page?

The Hon. LUKE FOLEY: The first page, the subsection headed "Joseph Tannous' Summary". It states:

Joseph currently holds a number of senior positions within the NSW Liberal Party, in these roles, he enjoys constant contact with elected representatives from across the political divide enabling him to attain the desired results for his clients.

Surely if that is a truthful statement it is a breach of section 7.1 (d) of the NSW Government Lobbyist Code of Conduct. Is that not true, Mr Eccles?

Mr ECCLES: I refer to my previous answer that I do not intend to engage in a running commentary about a breach or otherwise without giving it proper consideration.

The Hon. LUKE FOLEY: Premier, is it true that Mr Tannous's occupancy of senior positions within the Liberal Party enables him to attain the desired results for his clients?

Mr BARRY O'FARRELL: I have seen no evidence of that. However, as I said, until you raised it with me I did not know the name of his business. I am unaware whether I have dealt with any of his clients. I have no responsibility to review his business model or to undertake an annual review of his outcomes. Your question is based on something that I do not know.

The Hon. LUKE FOLEY: But if the fact that a registered lobbyist held office in the Liberal Party and that the occupancy of that office enabled him to achieve results, would that not be improper and a breach of the NSW Government Lobbyist Code of Conduct?

Mr BARRY O'FARRELL: If there was any evidence of that.

The Hon. LUKE FOLEY: Mr Eccles, if Mr Tannous's statements are an exaggeration or a boast, would that be a breach of subsection 7.1 (c)?

Mr BARRY O'FARRELL: I think the director general said he would take advice on that.

The Hon. LUKE FOLEY: Mr Eccles, why does it fall to the Opposition and the media to raise issues regarding potential breaches of the NSW Government Lobbyist Code of Conduct? Why are no resources applied to ensuring that registered lobbyists, in particular those who also hold office in the Liberal Party, are in full compliance with the code of conduct?

Mr ECCLES: We certainly welcome the contribution of the Opposition to our practice. That is the first point. The second point is again that we rely on our informants—those most directly exposed to lobbyist activity—to give us the primary information against which we can make a judgment about compliance with the code. That is probably as much as I can say.

The Hon. LUKE FOLEY: I also ask you to look at the 1st State Government and Corporate Relations website and the statements made there about Mr Tannous's political influence and how that assists his clients. Will you undertake to look at that?

Mr ECCLES: We will examine all the matters that you have drawn to my attention.

The Hon. LUKE FOLEY: I have a copy of Mr Tannous's company client list.

The Hon. MELINDA PAVEY: Is that from the register?

The Hon. LUKE FOLEY: Yes. One of the clients is Dell Australia Pty Limited. Mr Tannous lobbies for Dell Australia. Premier, are you aware that Dell was the first of two companies put on former Minister Greg Pearce's new \$93 million IT procurement panel?

Mr BARRY O'FARRELL: No. However, if we want to make declarations I can say that about four years ago I bought a Dell computer through the post. It sits—these days regrettably broken—on my son's desk in his bedroom. I paid full tote odds for it on my credit card and I am sure I have the receipt.

The Hon. LUKE FOLEY: Are you aware that procurement through that panel will be between \$92 million and \$93 million per annum according to the 2011-12 figures from the Department of Finance and Services' annual report?

Mr BARRY O'FARRELL: No, but I am aware that the last time I checked Dell is a worldwide producer of computers. I recollect that I might have seen in the *Financial Review* in recent times a report that it could be the subject of a takeover. Am I surprised that other computer providers are on a procurement panel not only in New South Wales but also in other States? No, not really. The issue is whether they were appropriately appointed. If you have evidence that they were not, please present it.

The Hon. LUKE FOLEY: Are you aware that Dell was recently awarded a \$455,000 contract by the Land and Property Management Authority and that that contract was not put out to tender?

Mr BARRY O'FARRELL: Happily not. One of the changes we made is that my Ministers are not directly involved in the awarding of tenders by Government.

The Hon. LUKE FOLEY: Who is the Minister responsible for the Land and Property Management Authority?

Mr BARRY O'FARRELL: It would be the Minister for Primary Industries.

The Hon. LUKE FOLEY: It would be the Minister for Finance and Services, would it not?

Mr BARRY O'FARRELL: Thank you. It is Minister Constance.

The Hon. LUKE FOLEY: Are you aware that former Minister Greg Pearce was the Minister in charge of the authority when Mr Tannous's client Dell won a \$455,000 contract without a tender?

Mr BARRY O'FARRELL: No, I was not aware of the fact that there was no tender, but I am happy to get advice.

The Hon. LUKE FOLEY: Are you aware that Mr Tannous lobbies for the China Railway 15 Bureau Group Corporation?

Mr BARRY O'FARRELL: No, but I am happy to take your word for it.

The Hon. LUKE FOLEY: You have had some dealings with China Railway 15 Bureau Group Corporation in the past, have you not?

Mr BARRY O'FARRELL: I am aware of all the China Rail groups, including the China Railway 15 Bureau Group Corporation. China Rail started life as—

The Hon. LUKE FOLEY: A People's Liberation Army unit.

Mr BARRY O'FARRELL: Yes. It was broken into different numbered businesses and they were told to get on with the job of building not only a first-class rail system in China but also to see what they could do around the world.

The Hon. LUKE FOLEY: Indeed, on a trip to Beijing you announced that the China Railway 15 Bureau Group Corporation would open an office in New South Wales—its first in Australia.

Mr BARRY O'FARRELL: Indeed, because it was very excited about our \$60-billion infrastructure program, which among other things involves the North West Rail Link. Your side of politics committed to that project, but it now seems to oppose it. The company was keen to see what opportunities existed to expand its business not only in New South Wales but also across the rest of the country.

The Hon. LUKE FOLEY: It has indeed set up here and is now represented by Mr Tannous, who lobbies for the company.

Mr BARRY O'FARRELL: I did not know that until you pointed it out. Are you suggesting that he was involved at the time I was in China announcing that the China Railway 15 Bureau Group Corporation was coming to Sydney?

The Hon. LUKE FOLEY: Well—

Mr BARRY O'FARRELL: I suspect not.

The Hon. LUKE FOLEY: Now that you mention it, Mr Tannous also owns Three 888 Corporation Pty Limited, which looks like a holding company that owns 1st State Government and Corporate Relations. Mr Tannous tells us that he is the owner of the Three 888 Corporation and that that company assists Australian companies with business opportunities in China and India.

Mr BARRY O'FARRELL: I understand you want to move on, but are you alleging that when I went to China and I announced that the China Railway 15 Bureau Group Corporation was coming here to open an office that that was in some way or another connected to Mr Tannous?

The Hon. LUKE FOLEY: I have made no allegations.

Mr BARRY O'FARRELL: Thank you. What was your question?

The Hon. CATHERINE CUSACK: He is all smear and no allegation. That is the problem.

Dr JOHN KAYE: Point of order—

CHAIR: The member should restrain herself.

The Hon. CATHERINE CUSACK: Can I make a point?

CHAIR: No.

The Hon. PETER PRIMROSE: No, not unless you want to take a point of order.

The Hon. CATHERINE CUSACK: He is sitting there sledging and smashing people who cannot respond.

CHAIR: You cannot make comments.

The Hon. PETER PRIMROSE: You are making a comment. If you want to take a point of order then do so.

CHAIR: Let Mr Foley continue his question.

The Hon. CATHERINE CUSACK: It is provocative.

The Hon. PETER PRIMROSE: That is dreadful, is it not?

CHAIR: Many estimates committees are provocative.

The Hon. CATHERINE CUSACK: We have sat here and listened to this for two hours.

CHAIR: That is why we have estimates committees—to be provocative.

The Hon. LUKE FOLEY: To the point of order: At times over the years I have been provocative. I believe that I have been anything but provocative today.

Mr BARRY O'FARRELL: You have been incredibly quiet and polite.

The Hon. CATHERINE CUSACK: Do not be so fragile when somebody interjects.

CHAIR: Cease interjecting or I will have to have a member leave the Committee.

Mr BARRY O'FARRELL: You were asking about Three 888 Corporation Pty Ltd.

The Hon. LUKE FOLEY: Have you had any dealings with Mr Tannous? Have any of your staff had any dealings with Mr Tannous over the years concerning your trips to China and your Government's initiatives to increase trade with China?

Mr BARRY O'FARRELL: Not to the best of my knowledge, no.

The Hon. LUKE FOLEY: Could you get back to us with a definitive answer on that one?

Mr BARRY O'FARRELL: To the extent I can, yes.

The Hon. LUKE FOLEY: Are you aware that Mr Tannous lobbies for Theiss Australia?

Mr BARRY O'FARRELL: No, but I did look at the list as you were having your slight altercation. I saw that he lobbies for a number of companies including Polio Australia and companies I have never heard of.

The Hon. LUKE FOLEY: It is a long list, perhaps attracted by his boast that he can attain desired results for his clients by virtue of his occupancy of senior offices in the Liberal Party.

Mr BARRY O'FARRELL: I say again: I have no idea why people and companies waste their money employing lobbyists.

The Hon. LUKE FOLEY: Mr Tannous's client, Theiss Australia, was part of a winning consortium that, last month, won a \$1.15 billion North West Rail Link tunnelling contract.

Mr BARRY O'FARRELL: I certainly know that Theiss Australia was one of the three successful companies that went through a public tender process with the strongest possible probity arrangements around it. Are you suggesting that somehow or other that was influenced by a lobbyist? Surely you are not that stupid.

The Hon. LUKE FOLEY: I make no suggestions, Premier.

The Hon. CATHERINE CUSACK: You are trying to destroy someone.

The Hon. LUKE FOLEY: I am pointing to Mr Tannous's statements and the answers that you and your director general have given me this morning regarding the principles of engagement with Government representatives, and I am asking whether the statements that Mr Tannous makes in writing on his LinkedIn profile and on the 1st State website are evidence of a breach of the lobbyist code of conduct.

Mr BARRY O'FARRELL: Mr Eccles has made the point that he will get considered advice on that. What I am saying to you, in relation to the two examples of companies that you have raised, is that if you have evidence suggesting that somehow or other their success has been unduly influenced, present it. Otherwise you are simply smearing, in the one case a world-wide computer company, and in the other case—I suspect the ownership of Theiss Australia has changed—a construction company that helped build this State and country.

The Hon. LUKE FOLEY: I make no smear, Premier, I simply—

Mr BARRY O'FARRELL: You do, very cleverly. You underestimate—or pretend to underestimate—what you are doing. Mr Eccles is going to give you advice in relation to your first point but let us not start to smear companies like Theiss Australia. Many people around this country have fond memories of Theiss Australia helping to build and expand our nation. You make no allegation but it is a clear smear.

The Hon. LUKE FOLEY: I think Theiss Australia is a fine company.

Mr BARRY O'FARRELL: Thank you for now saying that.

The Hon. LUKE FOLEY: I think they would be well advised to drop this character, Mr Tannous.

Mr BARRY O'FARRELL: You know my view. I do not know why people spend money—in my view it is a waste of money—on lobbyists.

The Hon. LUKE FOLEY: It reflects badly on otherwise very reputable companies when the lobbyist they engage boasts that his occupancy of high office in the Liberal Party, sitting alongside State and Federal leaders delivers the results for his clients. That unfairly damages reputable companies, does it not?

Mr BARRY O'FARRELL: So why are you trying to smear Theiss Australia and Dell as part of this process today?

The Hon. LUKE FOLEY: I am asking why you do not punt Mr Tannous—

Mr BARRY O'FARRELL: You are smearing.

The Hon. LUKE FOLEY: —from the lobbyist register.

Mr BARRY O'FARRELL: That is an issue that the director general has already given you an answer on.

The Hon. LUKE FOLEY: I have presented evidence of the clear breach of the principles of engagement with Government representatives that are on display.

Mr BARRY O'FARRELL: The director general has said that he will take advice and come back on that.

The Hon. MELINDA PAVEY: How many years did you sit with Eddie Obeid in the Labor Party?

CHAIR: That brings us to the conclusion of this first part of our estimates hearing.

(Short adjournment)

Dr JOHN KAYE: Premier, can we talk about the casino? When did Mr Packer raise with you the idea of a casino at Barangaroo?

Mr BARRY O'FARRELL: I am pretty sure that the first I saw it was when it was on the front page of the *Sydney Morning Herald* and I then made the comments that I did that then caused some controversy.

Dr JOHN KAYE: You have changed my question. I asked you when did he first raise it with you; you then answered, "The first I saw it" was in the *Sydney Morning Herald*.

Mr BARRY O'FARRELL: I am just trying to recollect; I am not trying to dissemble here, Dr Kaye. I have had two meetings with Mr Packer. I think the first was after the newspaper report and the second was in September of last year. I will get the time frame checked while we are talking.

Dr JOHN KAYE: Could you, when you are doing that, also find out when the issue was first raised with anybody in your staff?

Mr BARRY O'FARRELL: If it had been raised within my staff it would have been raised with me. But I am pretty certain the first time that I knew that he was proposing a casino facility—a gaming facility, as I describe it—at Barangaroo was when I read about it, from memory, in the *Sydney Morning Herald*.

Dr JOHN KAYE: Let us go to the issue of a gaming facility, which some people refer to as an elite casino or a high-roller casino.

Mr BARRY O'FARRELL: Often described as integrated resorts in Singapore.

Dr JOHN KAYE: It is a slightly different concept. Does that not refer to its relationship to accommodation and other facilities? We are talking specifically about the type of gaming facilities. Are you aware that around the world most of these elite casinos—that is, casinos that are exclusive, casinos that do not have poker machines and casinos that do not rely on a mass market—go in two directions, in fact, all of them go in two directions: they only go bust or they become full-service casinos?

Mr BARRY O'FARRELL: Two things: I have made clear from the first time this issue was raised with me that it was targeted towards that high end of the gaming market and I have said repeatedly that because a second facility of this type will require a change to the legislation that that will be set out in legislation. So my answer to the second part of your contention—if, indeed, the contention is accurate—is that that would require a legislative change and it is not a legislative change that I can envisage. In relation to the first part of your question, can I say very bluntly that if that were to happen and we still ended up with a six-star hotel I could not be happier.

Dr JOHN KAYE: Have you sought advice on the issue on how other similar exclusive or high-roller-only casinos operate around the world and what happens to them? Do you have any advice on that? Have you asked questions about that?

Mr BARRY O'FARRELL: Can I just make the point that no, we have had an approach to Government about building a six-star hotel with a gaming facility in it. That is what is being assessed. What stage two was about was the potential benefit to the State, and it has now moved into stage three. But to some extent, to go again to your first contention, it is a bit like the Cross City Tunnel. The Cross City Tunnel was built as a public-private partnership; the original investors lost their shirts on it. The Cross City Tunnel still sits there providing a piece of useful infrastructure—it could have been much better if it had been planned better, but it is a piece of useful infrastructure for the State, in the same way as if this proposal were to proceed, if the six-star hotel were to be built and down the track it could not be sustained, the facilities would still be there. But I say

again, the legislation—if indeed legislation is required, if a legally binding agreement is reached—will stipulate that it is a high-end gaming facility.

Dr JOHN KAYE: I will take it then that you have not sought evidence or advice on the issue I raise, the issue of risk management?

Mr BARRY O'FARRELL: No. I think we have assessed risks as part of the process but—

Dr JOHN KAYE: No, not risks to you; the risk management within casinos and the reason why casinos, which are exclusive and high-roller-only tend to either go bust or become full-service.

Mr ECCLES: The steering committee, as part of its deliberations, commissioned work to examine all casinos around the world. So there was a comprehensive review of every operating casino, including boutique VIP casinos, to inform the deliberations of the committee.

Dr JOHN KAYE: Mr O'Farrell, can I take it from your previous answer to that that the key objective, from your perspective, was to get a what you call six-star hotel—what you and Mr Packer call six-star and everybody else calls five-star-plus or five-star, there being no formal definition of "six-star"? Do I take it that key objective was to alleviate what is perceived to be a constraint on ultra high-end tourism accommodation in Sydney?

Mr BARRY O'FARRELL: That was part of it. The other part of it was, of course, what by any measure is a significant economy, particularly in Asia, in relation to high-value gaming.

Dr JOHN KAYE: So in order to get the first part of what you are looking for you felt it was necessary to have a casino there?

Mr BARRY O'FARRELL: Understand, Dr Kaye, that the proposal came to us.

Dr JOHN KAYE: Yes, but you were enthusiastic for the proposal.

Mr BARRY O'FARRELL: What I was enthusiastic about was anything that adds life to what by any measure is going to be a fantastic new financial district, anything that will add to the tourism assets of the State and anything that is going to support existing jobs and grow jobs in the city.

Dr JOHN KAYE: Are you are aware of the Jones Lang LaSalle Sydney hotel accommodation report of June 2013, which was one of the appendices that Crown attached to its submission? The specific focus of their appendix is to look at five-star hotel accommodation in Sydney and where that market is going. Are you aware of that?

Mr BARRY O'FARRELL: I am aware of the report; I have not read the report.

Dr JOHN KAYE: Are you aware that the report says, "There are other factors which may support the construction of a five-star hotel at Barangaroo"—that is, one without a casino—"including current investor operator appetite to gain a foothold in Sydney's luxury accommodation market, particularly from Asian owners and operator groups"?

Mr BARRY O'FARRELL: I am happy to take it that is something that is said in the report.

Dr JOHN KAYE: The report goes on to say, "We are aware of groups of investors who, notwithstanding the likelihood of low-development returns on the project, would develop if presented with the right five-star greenfield opportunity. Barangaroo is one of the last greenfield sites for luxury hotel accommodation in Sydney".

Mr BARRY O'FARRELL: And Barangaroo is under contract to Lend Lease and Lend Lease has entered into an arrangement with Crown. So it is hardly a greenfield site.

Dr JOHN KAYE: It is described by Crown's own property consultants as a greenfield site.

The Hon. MELINDA PAVEY: There was no grass down there when I walked there on Monday.

Mr BARRY O'FARRELL: I defer to the Hon. Melinda Pavey that there is no grass down there, although I have to say it is coming out brilliantly. But I do make the point—

Dr JOHN KAYE: Does not the—

Mr BARRY O'FARRELL: I will not make the point then.

Dr JOHN KAYE: Please do not. Does not the Jones Lang LaSalle report put a hole in half of your argument?

Mr BARRY O'FARRELL: I do not think so, but I have not read the report; I have relied upon the advisers who have gone through all these documents.

Dr JOHN KAYE: So you are not aware that Jones Lang LaSalle is saying you do not actually need a casino to get additional tourist accommodation in Barangaroo?

Mr BARRY O'FARRELL: No. What I am saying is that I have not read the report. What I am saying is that all of these matters were considered as part of the stage two process of the assessment of both the Crown and Echo proposals and recommendations were made to Government accordingly. But what I am aware of is that other hotels certainly are being built in Sydney. I had the privilege of opening up the new Rydges airport hotel a few weeks ago. I know that the Deputy Premier last week released the plans for the proposed hotel at the Sydney International Convention Exhibition facility.

Dr JOHN KAYE: Is that a five-star facility?

Mr BARRY O'FARRELL: I do not know what stars are on the —

Dr JOHN KAYE: Never mind. That is not really what I want to talk about.

Mr BARRY O'FARRELL: I will leave you to the stars.

Dr JOHN KAYE: Let me ask you about the issue of the benefits to Sydney that were identified in the report of your unsolicited proposals process. One would have to say that in percentage terms the gains to employment, both during construction and operation, to high-end tourist accommodation and to economic growth were relatively small. For example, the figure for additional accommodation was 0.02 per cent. So in terms of the key indicators, while it is argued that it is positive, surely you would have to accept that it is a relatively modest contribution to Sydney's future.

Mr BARRY O'FARRELL: So you think 1,250 jobs is modest, do you?

Dr JOHN KAYE: Do you accept that many of those jobs come out of other construction projects? If you read Mr Eccles' report—

Mr BARRY O'FARRELL: I am amazed that The Greens think that 1,250 direct jobs are insignificant. It speaks volumes about The Greens' lack of economic credentials.

[Time expired.]

CHAIR: Are you aware of the facts of the Ombudsman's report on reviewable deaths in 2010-11, Volume 1, March 2013?

Mr BARRY O'FARRELL: Yes, in the broad.

CHAIR: Apparently the report gives some alarming information, especially in view of some of the recent deaths of children. The report states:

Over the two-year period from 1 January 2010 to 31 December 2011, 1,170 children died in New South Wales.

The report identified 77 of those deaths as reviewable; 27 died as a result of abuse, 21 died as a result of neglect and 29 died while in care. Recently an internal government report on the issue of caseworkers and children at risk was released. It states:

Most children at risk are not seen by caseworkers ...

The report states that in April only 14.7 per cent of children considered at risk had a risk assessment or visit. The figures are 14.7 for Liverpool, 17.8 for Parramatta, and 23.5 for the whole of New South Wales. I note that this issue has been raised in other estimates hearings. It raises some serious questions as to what needs to be done. Is it more efficient work by caseworkers, or do we need more caseworkers? How can we ensure that children in this State are protected?

Mr BARRY O'FARRELL: It is an important question, and I will say a couple of things about it. Obviously, the death of any child is to be regretted. Within my own community in the past week a child died at a public school from a severe asthma attack. That is horrific for any of us who have had children go through the schooling system because, from all accounts, it was completely and utterly unexpected. It has devastated classmates, the school, teachers, carers and obviously the family. But to go to what I think is the heart of your question, which relates to what might be described as children at risk, and what the Government can do to assist, again it will always be one of the most difficult tasks government takes on when dealing with what I describe at times as the edges of society—abuse, violence, deprivation, socioeconomic conditions that would be alien to most people across the State. Clearly, governments have always struggled to do so.

I am reminded that prior to the 2007 election campaign when these matters were raised, an additional \$1.2 billion was invested by the then Government into the Department of Community Services. Within 12 to 18 months of that election, a commission of inquiry had to be established under Justice James Wood to look at what were ongoing failings within the Department of Community Services. Commissioner Wood found that, despite the injection of what by any measure is a significant amount of money, no better outcomes were being achieved. What he proposed and recommended was that out-of-home care and other things should be moved from the public sector and to the not-for-profit sector to enlist some of the not-for-profit organisations, including some of the great charities and religious groups that exist around the State, in the task of caring for those people.

Why? Because, so the argument goes, government is often good at treating people equally but if you are at the edge in one of these areas you want to ensure that you are being treated particularly with a degree of care and attention. That cannot always happen in the public sector, not because public sector caseworkers and community service workers are not so inclined, but because inevitably there is a much bigger bureaucracy and system of regulations in which they must operate. At times in another area we see police and their efforts hampered by some of the regulatory regime in which they operate. So the recommendation was that much of this work be shifted from the public sector to the non-government sector. The former Government committed to that but, regrettably, it did not act.

What I do know is that we have funded almost \$200 million for front-line caseworkers. That is an increase of almost \$17.5 million over the past three years. That is funding for 2,068 caseworkers. The Minister has made it clear to her department that that is what she wants. I am advised that permanent vacant positions are being filled permanently within the Department of Family and Community Services. I am told by the Minister that the vacancy rate has reduced since we came to office. In other words, the rate of vacancies among the funded caseworker positions has fallen. Is it where it should be? No. Can we do better? Yes. Under my Government, caseworkers are apparently seeing 4,150 more children than were seen under the previous Administration in its last year in office.

The figures to which you referred reflect the fact that we are seeing about one in four children at risk, which is an improvement on the one in five that were seen two years ago. That is why I say that more can and must be done because that figure is far too low. I come back to where I started. This is a difficult area. The allocation of funds to public agencies is not necessarily going to get to the heart of it. That is why the Minister has engaged in a task set out by Justice James Wood, which is a difficult task because it is resisted within the public sector. Regrettably, it becomes part of the union-political mix in the media. In the meantime we have situations where children who have been notified to the department or should have been notified to the department are going without the care they deserve. Yes, far too many of them, at times, die.

CHAIR: I will move onto another area—one that is close to my heart—and that is the existing laws controlling cigarettes in this State. I did a lot to have those laws introduced.

Mr BARRY O'FARRELL: You have indeed.

CHAIR: A survey by the Cancer Council of 10,000 tobacco outlets apparently shows that these outlets are taking the laws for granted. For example, only one in 10 was displaying the required warnings about the health dangers of smoking, and only one in 20 was covering the cigarette display. Legislation provides that cigarette displays must be covered. I note that Woolworths, Coles and others are obeying that law, but apparently it is not being followed by all tobacco outlets. What action is your Government taking to ensure the tobacco laws are implemented in this State? Do inspectors or others enforce those laws?

Mr BARRY O'FARRELL: I was made aware of this report yesterday morning at a press conference after the VP Day commemoration in Martin Place. I came back to Parliament House and during question time raised the matter with the Minister for Health who, like you, has been a strong advocate for reform and also like you has worked not only in government but also in Opposition to restrict the sale and use of tobacco across the State. The Minister is yet to provide me with a full brief on this matter. I have not read the report produced by the Cancer Council but I certainly know they do fantastic advocacy work, as well as research work, across this State.

I understand there are a number of agencies, including local governments that are involved in the policing of the State's tobacco laws. For instance, people are not allowed to smoke on a number of the State's beaches and often council inspectors deal with that. I know that people are not meant to be smoking on rail property. I certainly know from my interaction commuters that there are many who are frustrated that CityRail staff or Sydney Rail staff do not take more proactive steps to issue the appropriate fines.

The Hon. PENNY SHARPE: The figures on this matter are pretty poor, Premier.

Mr BARRY O'FARRELL: Yes, I actually think I am agreeing with you, but more importantly—because why would I agree with you—I am agreeing with commuters.

The Hon. PENNY SHARPE: In more things than you think.

Mr BARRY O'FARRELL: I think we can all do a better job. I did task the Minister for Health yesterday to come back to Cabinet on what we can do to ensure this happens. At the risk of getting myself into more trouble, there is no point having tobacco restriction laws on the books and engaging in expensive public health campaigns warning about the danger of tobacco, if we do not enforce them, particularly when we see the impact of smoking on people and its impact upon the Health budget, not just in New South Wales but across the country. If people were to give up cigarettes and go to the gym as I do, go for a walk, a run or a swim we would save a hell a lot of money in the next 25 years out of the Health system that we could devote to other areas of government or we could give it back to people with reduced taxes.

CHAIR: That is for sure.

The Hon. CATHERINE CUSACK: How is the Government improving customer service?

Mr BARRY O'FARRELL: At the risk of being more of a bore, the Hon. Catherine Cusack—

The Hon. PENNY SHARPE: You can table it Premier.

Mr BARRY O'FARRELL: No, I am actually very excited about and delighted with this question. I was in the great electorate of Kiama with the exuberant member for Kiama a few weeks ago. I was down at Haymarket the day after the Independent Commission Against Corruption report was handed down, so that is about 16 days ago. On both occasions I opened two of the new Service NSW one-stop shops across the State. These are initiatives that recognise that people across the State want to access government services quickly, conveniently and simply and in ways that suit them—they do not necessarily suit us as either the providers of government or those who work for us who are, indeed, the public servants. They want to see services delivered in ways and at times that suit their increasingly busy lives.

Just to provide some shape around the way it currently operates, we inherited a system that had approximately 40 million customer transactions a year in a State of 7.3 million citizens; people interacting with government whether getting a driver's licence, applying for a copy of a birth certificate or getting a fishing licence to take the boys fishing during the holidays. Usually, 390 are single shopfronts. Most of our agencies

that involve themselves with the public will have a shopfront of one type or another. We can often be familiar with the Births, Deaths and Marriages shopfront and more familiar with the motor registries that exist in suburbs, towns and villages across this State. We also know that Fair Trading has shopfronts. There are also in excess of 30 call centres across the State, again, normally dealing with a specific issue or a specific service, 800 different unique websites and more than 8,000 different government phone numbers. Most work separately, which leads to waste and inefficiency and, more importantly, do not meet the interests or needs of customers.

Before the election my colleagues and I looked at what was happening around the world. We saw some interesting models about how to better improve customer service options. I particularly remember the New York city experience of Mayor Blomberg where there is one phone number. If people want to complain about anything that relates to City of New York services they just have to remember one phone number, which I thought was terrific. I remember a website in the State of Florida—we have not got to this point yet—where citizens can report potholes and those potholes appear on an interactive map and do not come off the map until they are fixed. I can tell you the fact that they are on an interactive map means that State and municipal officials work overtime to ensure that their part of the city, State or county is fixed as quickly as possible.

We looked at those things in Opposition. We committed ourselves to introducing better customer service by introducing one-stop shops. I am delighted to report progress. We want to put citizens at the heart of customer service delivery. We want residents and businesses alike to have the benefits of service improvements, and technology that is common place across the private sector, the benefits of which have been too often ignored in the public sector. The first of our one-stop shops has opened. I joke that I was thrilled to join the member for Kiama and get a word in to open the State's first one-stop shop at Kiama. The centre in Tweed Heads is also opened for business too. I think the Deputy Premier had the pleasure of joining the member for Tweed there. As I said, two weeks ago Sydney opened one of two one-stop shops that will be established, the one at Haymarket, and the other at Wynyard closer to that iconic railway station. By the end of the year, 18 shopfront service centres will be open across New South Wales.

The next ones will open in Orange, Tamworth, Dubbo and Parramatta. What is great is that they are open longer hours than usual government shopfronts, that is, from 7.00 a.m. to 7.00 p.m. week days, recognising that people who want to do some transactions on the way to their work, or after their work, are able to do so, and even more excitingly between 9.00 a.m. and 3.00 p.m. on Saturdays. That means a tradies can renew their builder's licence, obtain a certificate or register a new ute at a time that suits them as opposed to having to take time off during their billable hours during the week and they can even make an appointment. I am old enough to remember that when I wanted to get a telephone connected to my flat when I was much younger Telstra would say they were coming on 15 August. I would ask whether it was morning or afternoon and Telstra could not tell me. I had to take the whole day off work. I am told—I have not done it for a while these days—that telecommunications will make an appointment and they will turn up around that appointment.

The Hon. CATHERINE CUSACK: That is not the case, I am sorry to say.

Mr BARRY O'FARRELL: I live in the city and you live in the country, so that might be part of it.

The Hon. CATHERINE CUSACK: You get a five-day window these days. It is terrible.

Mr BARRY O'FARRELL: It has worse. I take that back, Telstra. People will be able to make an appointment at these one-stop shops, say, at 1 o'clock on a Thursday. They can turn up for that appointment and they should be able to be seen at that time. That means if it is their lunchbreak and time is valuable that will happen. If people need to renew their driver's licence, apply for a tradie's licence or register a birth, death or marriage they can do it all at the one place. The centres were designed with customer input. Customers are asked at the end of their experience in these facilities to rate them and I have to say the ratings that are coming out of Kiama demonstrates that people are liking the changes.

In fact, I am told that since it opened, Kiama has been receiving incredibly high customer service satisfaction scores and the member for Kiama confirmed to me this week that he has only been there once since I was there because I was concerned that he might have been falsely adding to the scores as his contention is that Kiama is the centre of the universe.

It is all encouraging, but it just means that we need to continue to find even better ways to continuously improve. Service NSW is working hard to continue a professional delivery of this significant proof-of-concept design with the roll-out of more service centres. It will explore further expansion of services and new initiatives,

including the digital experience, in the future. In addition, a 24/7 one-stop phone service—13 77 88—has been established and a web portal, www.service.nsw.gov.au, is already operating. We will continually look to ways in which we provide service through such centres, through websites and through phone numbers to the public. I thank Mike Pratt, who is the Customer Service Commissioner. I also say to Ms Cusack, who I know is as excited as I am—because we both have children the same age,—about the way in which technology is changing the way they deal with the world, that if we can get government to embrace that technology in the way in which we provide and deal with our citizens, I think we will produce an improved outcome to better meet their needs.

The Hon. MATTHEW MASON-COX: Thank you, Premier. We are certainly looking forward to our one-stop shop in Queanbeyan. I am sure it will be coming soon enough. I wanted to ask about how the Government is assisting people with a disability and particularly the progress of the National Disability Insurance Scheme trial and other reforms?

Mr BARRY O'FARRELL: Thank you, Mr Mason-Cox, and thank you for your strong advocacy in this area. You understand better than most in this place the additional pressures upon families and those who have children or people with a disability to care for. I am particularly proud of the way in which this Government has handled disability care. I am particularly proud of the former Minister for Ageing and Disability Services, Andrew Constance, who across this State as shadow Minister led the debate in the direction of better-focused provision of services to people with disabilities, in other words, to remove the silos that at times locked people with disabilities, their carers and families out of getting timely assistance and care to one that sought to provide, in a sense, tailored services to those people.

It is to the great credit of both sides of politics, though, that we went to the last election both committed to the expansion of the Stronger Together program. I remember being down at the Opera House where both of us made that commitment and, whilst it was a great outcome, feeling what a disgrace it was that people with disabilities had to rally on the steps of the Opera House to get what should be theirs by right. We came to office on a program that was bipartisan to extend the Stronger Together program and we have now enhanced it by being the first State to agree to the National Disability Insurance Scheme. That is something that I am proud that Andrew Constance and I helped to achieve because it is already making a difference to the lives of people with a disability, their family, carers and friends.

I am not sure, with the exception of Mr Mason-Cox, that the rest of us around this table have any real insight into what life is like in a family or in a group situation where the needs of those with disabilities are not effectively attended to but be it a family, friend or someone else, the community rightly looks to government to provide assistance. That is exactly what I am talking about when I say we need to grow the economy, to increase jobs and attract investment because without the funds generated by a strong economy we could not provide the services and infrastructure that not only do we demand but that are especially important for those who have a disability, whether those services are accessible transport services—and I note that yesterday the Minister for Transport indicated that we are finally getting on with the task of starting the project of providing disability access at Redfern railway station—or whether it is what we are doing within our schools to ensure that the potential of children with disabilities are unlocked as much as they are for any other citizen of this State.

The National Disability Insurance Scheme launch in Newcastle and environs starts on 1 July. It will ensure that over the next three years 10,000 people in the Hunter will begin to receive individualised funding packages for the disability support they need. The only hesitation I had last year in relation to these matters was that at the first of the Council of Australian Governments meetings I was not prepared to sign up to the trial until I knew there was something in place after the trial, because it would have been the cruellest thing in the world to have done a trial in the Hunter for 10,000 families and not have at the end of that trial something in place to ensure that those services that they are getting continued because that is what it was all about.

We are working closely with the Australian Government and Disability Care Australia, as it is now called, to ensure the successful implementation of that launch site. We are funding the lion's share of the Hunter launch with our contribution of \$585 million compared with the Commonwealth's \$300 million. The National Disability Insurance Scheme will assist people with disability to exercise choice and control over their disability support, and guarantees a sustainable funding model for the provision of that support into the future.

As I said, we led the way in being the first State to sign to the agreement to establish a full National Disability Insurance Scheme. By July 2018 all eligible New South Wales residents will have access to a scheme, based on insurance principles, that guarantees lifetime coverage for participants for the costs of reasonable and necessary care and support. At full implementation in 2018-19 the Commonwealth will contribute \$3.3 billion

and New South Wales will contribute a capped, fixed contribution of \$3.1 billion. This is a good outcome—both for people with a disability and for New South Wales taxpayers more broadly. We negotiated hard with the Federal Government and I think we got a very good result.

I congratulate both former Prime Minister Julia Gillard and Opposition Leader Tony Abbott on their bipartisan approach to the National Disability Insurance Scheme. What we saw was the same sort of bipartisanship support that existed here prior to the last election. This is a matter that has been above politics. I hope it continues to be above politics not only in this State but also nationally. It would be remiss of me not to also acknowledge the outstanding effort that John Della Bosca put into the campaign not only to achieve Federal Government appetite to take on a national insurance scheme but also to encourage States like New South Wales to do so and, as I said before to Mr Mason-Cox, I am delighted that we were the first. I am delighted that I can look families across this State in the eye, those families who have disabled children within their family unit, and say, "We put you first."

CHAIR: We will now turn to the portfolio area of Western Sydney. Questions will commence with the Opposition, then the crossbench and in the remaining time Government members can ask questions.

The Hon. PETER PRIMROSE: Premier, the families of Blacktown Road, Freemans Reach, have had no response to their pleas to protect their health and lifestyle from the effects of intensive agriculture being conducted nearby. Can I please ask if you will have their concerns investigated?

Mr BARRY O'FARRELL: I am happy to take that on notice.

The Hon. PENNY SHARPE: Premier, you have recently stated in your State of the Region Address about the importance of jobs in western Sydney?

Mr BARRY O'FARRELL: Yes.

The Hon. PENNY SHARPE: You have referred today also to the higher than State average unemployment rate in western Sydney which remains a concern. Are you aware of the company at Villawood called Custom Coaches?

Mr BARRY O'FARRELL: I know of Custom Coaches by name.

The Hon. PENNY SHARPE: You are probably not aware, and you may need to know, that it has been a company that has been part of New South Wales since 1955. It built its first bus for the people of New South Wales in 1957. Since then it has delivered more than 1,200 buses to the people of Sydney and more broadly New South Wales. This company employs 270 in Villawood in Western Sydney. Are you aware that they are getting very close to having to shut?

Mr BARRY O'FARRELL: I have seen media reports.

The Hon. PENNY SHARPE: Premier, on 9 November 2012 the company actually wrote to you and outlined what was on the line in relation to their company and in particular they highlighted the issue of loss of jobs and expertise in this form of manufacturing—they are the only bus building company in New South Wales.

The Hon. MELINDA PAVEY: There is Express Coach Builders in Maxville.

Mr BARRY O'FARRELL: There is a coach company in Maxville.

The Hon. PENNY SHARPE: I am happy to stand corrected on that in terms of body building. They indicated the issue was urgent. Are you aware what happened to that correspondence?

Mr BARRY O'FARRELL: No, but I will take that on notice. I assume it would have been referred to the Minister for Transport because I assume that their business, in part, is dependent upon Government bus tenders. I am certainly aware that the Government is continuing to buy buses to provide transport for people across the State. That is what would have occurred with the letter.

The Hon. PENNY SHARPE: The company asked specifically for a meeting with you to talk with some urgency about this matter. You are correct: They did get a reply in the January from the Minister for Transport. I would say that it was a fairly condescending letter: "Please be assured that Custom Coaches' contribution over many years to public transport in New South Wales is appreciated. State Transit will continue to monitor Custom Coaches' product in the future." There was no meeting and not even an attempt to consider the loss of jobs in Western Sydney—

The Hon. CATHERINE CUSACK: Point of order: Can I ask that you direct the member to put a question rather than use estimates to deliver a speech?

The Hon. PETER PRIMROSE: She is asking a question.

The Hon. PENNY SHARPE: To the point of order: I thought the Premier might actually know about Custom Coaches given its importance, 50-year history in New South Wales and the fact it has delivered thousands of buses across this State. As the Minister for Western Sydney I thought he would be aware of it. If he is not I am informing him.

CHAIR: Members can give a preamble to their questions.

The Hon. PENNY SHARPE: Premier, are you prepared to consider looking at what can be done in relation to the potential loss of jobs in relation to Custom Coaches?

Mr BARRY O'FARRELL: Absolutely, but if what you are suggesting is that we provide subsidies to individual manufacturing facilities or if what you are suggesting is that we should lumber taxpayers with increased costs in order to save businesses I have to say, as demonstrated by recent national debate around the car industry, I think it is not the right way to go.

The Hon. CATHERINE CUSACK: To intervene in a tender?

The Hon. PETER PRIMROSE: They should have the right to tender.

The Hon. PENNY SHARPE: One of the reasons why the company wrote to the Premier was that it was not asked to tender and other companies out of State were asked specifically to tender. There are some levers that the Government can pull and there is some concern for jobs in Western Sydney that the Premier, if he took the time to look at it, may be able to assist. That is simply what we are asking for here. Custom Coaches employs 270 people in Villawood in Western Sydney. That is very important. There are many apprentices as well. They also operate a factory in South Australia. Their relationship with the South Australian Government is quite different to this Government. The South Australian Government is going out of its way to support the retention of jobs and manufacturing jobs in South Australia. I am told that it is a similar case in Queensland where there are other bus builders. Why will you not take a similar approach in New South Wales?

Mr BARRY O'FARRELL: As I said I will get you advice on it. I also make the point that I am not going to lumber State taxpayers with additional costs if there is no potential benefit for them.

The Hon. PENNY SHARPE: You have made a lot of the amount of retraining occurring in Western Sydney and you have referred in some of your speeches to the amount of training dollars going there. Would you accept that retraining people who already have jobs is a waste of money when you could keep their jobs here?

Mr BARRY O'FARRELL: What I accept is that we live in an economy that is changing. For instance, regrettably, the manufacturing sector over the past 25 years has declined substantially—a decline that, if the carbon tax is allowed to stand, will only continue. I meet people all the time who have moved from one sector to another, sometimes with training support and other times through dint of their sheer effort and ingenuity; that is part and parcel of modern world in which we live.

The Hon. PENNY SHARPE: If Custom Coaches has to pull up stumps in New South Wales with a loss of 270 jobs in Western Sydney that go to other States, you are comfortable with that?

Mr BARRY O'FARRELL: I do not think it has ever been the role of Government to say to the private sector, "We will underwrite your futures." If that is the proposition now being put by the Labor Party in this State I welcome your enunciation of it.

The Hon. PENNY SHARPE: That is not what I am putting to you. They have been excluded from the right of tender.

Mr BARRY O'FARRELL: What I have said is that I will give you considered advice on that.

The Hon. PENNY SHARPE: Would you consider in the future ensuring that local manufacturers have the right to tender for the work that is here?

Mr BARRY O'FARRELL: I will give you considered advice. The only caveat I would have and it is the same caveat I expressed at the Council of Australian Governments, when your pin-up Premier Jay Weatherill in South Australia proposed that there should be local preference by State governments in the purchase of motor vehicles, and that is that I will continue to do what is cost effective for taxpayers in New South Wales.

The Hon. PENNY SHARPE: As a point of principle you do not think it is a reasonable thing that local manufacturers should be able to tender for work that is happening?

The Hon. CATHERINE CUSACK: The Premier did not say that.

Mr BARRY O'FARRELL: I did not just say that.

The Hon. PENNY SHARPE: I am clarifying.

Mr BARRY O'FARRELL: I said I will always ensure that those sorts of issues are balanced against the cost to taxpayers. I will give you insight—

The Hon. PENNY SHARPE: —but allowing them to tender surely allows you to have a look at whether it is right?

The Hon. MELINDA PAVEY: The Premier is taking advice on that issue.

Mr BARRY O'FARRELL: I am taking advice on that. To go to Jay Weatherill and the pixies that live in that garden, the fact is if you accept tenders that are higher cost—

The Hon. PENNY SHARPE: That is not what I am suggesting at all, Premier, and you know that.

Mr BARRY O'FARRELL: — those costs are passed on to the citizens of this State.

The Hon. PENNY SHARPE: I have another example for you. Your Government has gone directly to Bustech in Queensland that took jobs out of the Hunter without giving Volgren and others the opportunity to tender for that work. That is 60 jobs in the Hunter that have gone.

Mr BARRY O'FARRELL: I am now going to, for the first time, question the information you have been providing. To this point I have been happy to accept what you have told me. I have been handed a tablet by my director general.

The Hon. LUKE FOLEY: Swallow it.

Mr BARRY O'FARRELL: Walt might be able to; I could not.

The Hon. LUKE FOLEY: You are missing him today, aren't you?

Mr BARRY O'FARRELL: I am. In the 2013-14 State budget we are buying another 201 buses—

The Hon. PENNY SHARPE: I am very familiar with that.

Mr BARRY O'FARRELL: —worth \$90 million.

The Hon. PENNY SHARPE: Yes.

Mr BARRY O'FARRELL: Too small for you?

The Hon. PENNY SHARPE: That is 30 per cent less than was happening under the Labor Government.

Mr BARRY O'FARRELL: And Custom Coaches is one of the manufacturers in the running to build them. It just does not fit with the rest of the contention.

The Hon. CATHERINE CUSACK: You will get yourself struck off the register of lobbyist at this rate, Ms Sharpe.

The Hon. PENNY SHARPE: Not at all. It is about the intention of the Minister for Western Sydney. Companies in Western Sydney were asking for help in November last year, seeking assistance and a meeting with the Premier and basically getting no help.

Mr BARRY O'FARRELL: First, it is not the job of Government to underwrite public companies whether they are the local corner store or a bank—let us hope they do not fail. Second, we are putting money into additional buses for this State—

The Hon. PENNY SHARPE: —but you do think they should have a right to tender? Can I clarify that you think that local manufacturers should be allowed to tender as a matter of principle?

Mr BARRY O'FARRELL: More than that, Ms Sharpe, I am told that Custom Coaches are in the running for the 201 item \$90 million contract that will be let this year.

The Hon. PENNY SHARPE: That tender is a little more broken up than that you will find.

The Hon. MATTHEW MASON-COX: Next?

The Hon. PENNY SHARPE: No, not at all.

Mr BARRY O'FARRELL: You had another example, I think.

The Hon. PENNY SHARPE: Yes, Volgren and Bustech.

The Hon. CATHERINE CUSACK: We are in the Hunter Valley now?

Mr BARRY O'FARRELL: Yes, I got that.

The Hon. PENNY SHARPE: Premier, what I am trying to get, which I do not think you ever answered: Should local companies, those in Western Sydney, in the Hunter or anywhere in New South Wales—you might be interested in some on the North Coast, Ms Cusack—be allowed to tender for any tenders that are coming up from the New South Wales Government?

Mr BARRY O'FARRELL: Most of our tenders are public tenders. There are very few that are not public tenders. As a matter of principle, yes. I again make the point that what this Government does—this is alien to the Labor Party—is try to manage its finances within a limit and it tries to get the best possible value for taxpayer dollars.

The Hon. LUKE FOLEY: What is your media adviser, Mark Tobin, doing minding the Liberal candidate for Greenway, Mr Jaymes Diaz?

Mr BARRY O'FARRELL: He has taken leave without pay or leave to go and do so.

The Hon. LUKE FOLEY: Did you see him on television in dark shades and a hoodie frogmarching Diaz away from the cameras? Did you see that?

Mr BARRY O'FARRELL: It is very hard to see Tob's on television these days, he has lost so much weight.

The Hon. LUKE FOLEY: He looked like a nightclub bouncer: he grabbed the handsel of his shirt and led this bloke away from the camera. It was extraordinary.

Mr BARRY O'FARRELL: So people are not entitled to engage in political activities in their own time? Is that what you are contending, Mr Foley?

The Hon. LUKE FOLEY: Not at all.

Mr BARRY O'FARRELL: That is a very novel approach coming from a former assistant secretary of the Labor Party.

The Hon. LUKE FOLEY: Do your staff not have more important things to do than mind this nincompoop Greenway candidate Jaymes Diaz?

Mr BARRY O'FARRELL: So you are saying that political staff should not be able to access their legal holiday entitlements? The Labor Party today is just extraordinary.

The Hon. LUKE FOLEY: I am not saying that at all.

Mr BARRY O'FARRELL: You are.

The Hon. MATTHEW MASON-COX: You are.

The Hon. LUKE FOLEY: Of course they should.

Mr BARRY O'FARRELL: You are. You want to deny people holidays. Does the union movement know this?

The Hon. LUKE FOLEY: I think Mark Tobin—

Mr BARRY O'FARRELL: Vote for Luke Foley and lose your holidays.

The Hon. LUKE FOLEY: —is a very important man in the running of this State and he has better things to do working with you to run the State—

Mr BARRY O'FARRELL: Mark Tobin is demonstrating the benefits—

The Hon. LUKE FOLEY: —rather than putting this nincompoop—

Mr BARRY O'FARRELL: —of health and fitness.

The Hon. LUKE FOLEY: —Diaz into a safe house under lock and key—

Mr BARRY O'FARRELL: Mark Tobin is going to ensure that future taxpayers have to pay less money—

The Hon. LUKE FOLEY: —for the next four weeks.

Mr BARRY O'FARRELL: —for the health system.

The Hon. LUKE FOLEY: That is what I think.

Mr BARRY O'FARRELL: And the sooner you join him the better.

CHAIR: One way to redevelop Western Sydney would be the development of the airport at Badgerys Creek.

Mr BARRY O'FARRELL: Yes.

CHAIR: Qantas issued a statement yesterday urging the Government to proceed with the airport there. I gather that up until now the airlines have not been positive about that, wanting to stay at Kingsford Smith. In view of that change, are you giving further thought as to whether the Government will support the new airport at Badgerys Creek?

Mr BARRY O'FARRELL: I am happy to say that my position has not changed. We have said that, first, we are happy within the existing curfew arrangements to get better capacity out of Sydney Airport. I think it is a strategic advantage for Sydney, in particular, to have an airport that is so close to its CBD. You have travelled across the world. You know that in many cities like Sydney you have to travel for a very long time from the airport to get into the CBD if you are a businessman or political leader. There is a strategic advantage for Sydney having an airport as close. Secondly, my point is that aviation is a Federal responsibility, despite all the statements from the Federal infrastructure Minister, Mr Albanese. Despite some statements from members of the Federal Liberal Party and The Nationals, as yet no-one has committed a single dollar to what would be between a \$5 billion to \$11 billion investment to get an airport established. Let me make clear, the Commonwealth Government owns 1,700 hectares at Badgerys Creek and nothing State planning laws are doing

is interfering with that ownership. If the Federal Government wants to commit its funds not only to build the airport, but the infrastructure needed to support it, that is a decision for it. Any dollars I have will be directed to that State infrastructure that is so critical, whether it is roads, the railway lines, the hospitals or schools.

Allan Joyce, who has made statements in the last day or two about this matter has made statements before because he took issue with me when I expressed the view during the election campaign that I did not believe that a second airport would be built in the Sydney Basin. Why did I not believe that? The problem when you are interested in history, added to by the experience of working with someone who was a part of history, is that back in 1973 a very young Philip Ruddock, who this year will seek to contest the election in his fortieth year in Federal Parliament, ran for a by-election in the Federal seat of Parramatta to replace the former Federal member Nigel Bowen. One of young Philip Ruddock's slogans in that election was to keep Dural rural because in 1973 the then Federal Whitlam Government proposed a second Sydney airport at Dural. This debate has been going on for 40 years. It is a debate that is completely and utterly within the bailiwick of the Federal Government. It is responsible for aviation. It would have to fund a second airport. It is not a debate that, it seems to me, has gone anywhere far in 40 years. There is no evidence that it will get any better over the next 40 years. In the meantime I will devote myself to tackling State issues, State problems, using the State taxes to do so.

CHAIR: You mentioned 1,700 hectares and there have been some reports that that land has been or is being sold or leased. Do you have any information on whether that land is still available for the airport?

Mr BARRY O'FARRELL: I do. It is 1,700 hectares of Commonwealth-owned land that has been bought up by successive governments I think starting with the Hawke Government. It may have continued under the Keating Government. I think it was all secured by the time the Howard Government was elected. Near that landholding are Western Sydney employment lands and without in any way wishing to disparage the State's media, I notice that both of the city's tabloids have had diametrically opposed reports about what we are doing with the Western Sydney employment lands. One was making the point that by the efforts to rezone it in order to provide opportunities for the industrial and other commercial uses we were getting in the way of a potential future airport. The other said completely the opposite. The land we are dealing with is outside of the airport boundaries. It falls within the Western Sydney employment lands. It is not land that is being set aside for housing. It is land that is being set aside for the sorts of industrial parks and others that we seek to use to create jobs in Western Sydney so that whether people live at Penrith or Liverpool, they have more jobs closer to their homes.

CHAIR: There also is the challenge from aircraft noise as planes leave and arrive at the airport, not just the bare land for constructing an airport?

Mr BARRY O'FARRELL: There are, which is why, sensibly, it is proposed that the area around the Commonwealth holdings are principally to be used for employment services because if you are working in a factory or in a holding place, or whatever, that is less of an issue. You are absolutely right, I think at times those who see the second Sydney airport being the panacea for all the problems of the west forget that airports do come with additional issues and not just the enormous infrastructure spend on things that people do not think about, such as the fuel pipeline and the road and rail links that you need to put into modern airports these days, but also with noise. Although, one point I make about Sydney airport, which would apply to any second airport, is, of course, that modern planes have become quieter. I was at an Australia-India Business Chamber function two nights ago. Air India starts direct flights from New Delhi to Sydney later this month. It is using the new Dreamliner, which I think is the 787. Not only does it travel lower, which apparently means that people do not get jetlagged as much, but I am told that it is considerably quieter than some of the aircraft we are used to. That means that those affected by aircraft noise would receive less. But I leave that to Dr Mehreen Faruqi to attest to.

Dr MEHREEN FARUQI: Premier, in your recent State of the Region speech in Western Sydney you made a big announcement about the visit of Shahrukh Khan to Parramasala this year?

Mr BARRY O'FARRELL: Yes.

Dr MEHREEN FARUQI: I am a big fan, so I am really pleased with that announcement.

Mr BARRY O'FARRELL: Organise the tickets.

Dr MEHREEN FARUQI: As you know, many key issues face the communities of Western Sydney. My questions will relate to those particular issues. A few months ago I met with a group of women from an

immigrant centre in Western Sydney. They raised with me many issues surrounding transport, especially getting jobs because of lack of public transport, and public housing. Can you tell me what initiatives the Government has in place to engage specially with migrant women and those from culturally and linguistically diverse backgrounds on these particular challenges?

Mr BARRY O'FARRELL: I am happy to take that question on notice. Of course, I will not say that public transport networks in any part of the State are yet sufficient. That is one of the reasons we are not only engaging in significant infrastructure works to improve public transport but also the Minister for Transport and the Minister for Roads and Ports have put together a transport master plan to identify future use. Both Minister Gay and Minister Berejiklian have had discussions with the Western Sydney Regional Organisation of Councils about future transport needs. We must recognise the significant and advantageous cultural diversity that exists across this city and ensure that everyone has access to public transport. We do not always get it right. Federal Disability Discrimination Commissioner Graeme Innes has regrettably brought to the Government's attention that something as simple as onboard announcements on trains can be difficult. However, we are determined to try—

The Hon. PENNY SHARPE: You spent \$400,000 defending it.

Mr BARRY O'FARRELL: The defence was started under your Government.

The Hon. CATHERINE CUSACK: Thanks for committing us to that.

Mr BARRY O'FARRELL: As I said on the day when Mr Innes—who is a local resident—got the decision in his favour, it was appalling that he had to go through that system to get a common-sense outcome. I do not resile from that. I tweeted about it that day and I am sure you saw my tweet.

The Hon. PENNY SHARPE: I am very pleased. You spent \$400,000.

Mr BARRY O'FARRELL: It was started by your Government. I was talking a moment ago about something which is connected and which demonstrates the Government's bona fides. We are establishing one-stop shops for people to transact services with the Government, whether it be with regard to licences, births, deaths and marriages certificates and so on. One of the focuses has been to address the issue of different languages. I will not say that in Kiama, where there is less of a need, there will be the same level of service, but the Parramatta one-stop shop will provide access to 20 different languages to assist people seeking information. There is more to do and I am happy to take that question on notice and provide a detailed response.

Dr MEHREEN FARUQI: That would be great. Are you aware of the Western Sydney Light Rail Network, which is a visionary plan proposed by a group of Western Sydney councils to provide intra-regional transport?

Mr BARRY O'FARRELL: I am particularly aware of it as a result of lobbying—do not get excited, Mr Foley—by Parramatta City Council General Manager Dr Lang and three enthusiastic lord mayors. It is being considered in the context of future transport plans.

Dr MEHREEN FARUQI: Will the Government commit to funding the design and the business plan?

Mr BARRY O'FARRELL: I will take that question on notice. However, I note that it is not in the five-year funding strategy attached to the 2013-14 budget, which was the first cut of the Infrastructure NSW 20-year plan.

Dr MEHREEN FARUQI: I am particularly concerned about homelessness in Western Sydney. How many homeless people, including rough sleepers and those in insecure and emergency housing, are there in Western Sydney?

Mr BARRY O'FARRELL: I will get those figures; I do not have them at my fingertips. I saw a figure recently, but I think it relates to Sydney generally. It indicated a slight drop in the so-called annual census of people sleeping rough. There are two issues. I suppose everybody sleeping rough is doing so because of circumstances not of their own making. I was about to draw a line between those suffering from a mental illness and those who are not. For those who are, the key is more funding and access to mental health services. Even

then, I have been told by the specialists involved that that will not guarantee we will end up with no-one with a mental illness sleeping on the streets. I will provide detailed information.

Dr MEHREEN FARUQI: That would be appreciated.

The Hon. MELINDA PAVEY: What is the Government doing to improve the quality of life for people in Western Sydney?

Mr BARRY O'FARRELL: This Government is committed to improving services and infrastructure and increasing opportunities and the quality of life of people living in greater Western Sydney. The report released a week or so ago by the Deputy Prime Minister, Anthony Albanese, entitled "State of Australian Cities" highlighted past sins—if I can use that expression—and stated that between 2006 and 2011 no new private sector jobs were created across Western Sydney. The Government is trying hard to put in place the strong economy that, as I said, not only creates wealth and opportunities but also helps people to have a better go because it generates revenue that we can use to provide services. The Government is committed to delivering a strong economy, driving jobs growth and infrastructure investment and, ultimately, providing better services.

The 2013-14 budget contained a significant boost to transport infrastructure in the region. The Government has committed \$1.8 billion in funding over the next four years from Restart NSW—the State's new infrastructure fund—to commence construction of the WestConnex motorway. The Government has also reserved up to \$400 million of Restart NSW proceeds for the construction of the F3 to M2 link—an underground tunnel connecting the F3 at Wahroonga—should it progress through the unsolicited bids process. We have also allocated \$353 million in 2013-14 for the construction of the South West Rail Link, which happily is running six months ahead of schedule and we hope that continues. That project and the North West Rail Link will significantly improve access to public transport in the growth regions of Sydney and give people a real opportunity to leave their cars at home. Almost \$4.1 billion has been allocated over four years for the construction of the North West Rail Link, with the first tunnel boring machine to be in the ground by the end of next year and \$805 million to be expended in 2013-14.

Over the next five years the Government will be investing in a \$1 billion program of works on Western Sydney growth roads to accommodate population and employment growth in Western Sydney, including the North West Growth Centre and the South West Growth Centre and the Western Sydney employment lands. Works will include the widening of Camden Valley Way and Narellan Road and staged construction on Richmond and Schofields roads. The new Erskine Park Link Road has already been completed and this year's budget committed funds to the Old Wallgrove Road to connect it to the M7 and to unlock employment lands in Western Sydney. The addition of Old Wallgrove Road and the Erskine Park Link Road will enable the Government to increase the size of the Western Sydney employment lands threefold. As I said, that land is dedicated to the creation of jobs to give people in the region a chance to work closer to home. The Minister for Roads and Ports and the Minister for Transport are working overtime to deliver transport infrastructure to accommodate population growth and to provide more jobs in Western Sydney.

Earlier this year I announced one of the State's biggest ever housing supply programs, with up to 171,000 new homes to be delivered across Sydney. This program includes 27,400 new homes and 49,500 new jobs in centres around the eight new stations along the North West Rail Link, rezoned land for 30,250 new homes and 29,000 new jobs across five precincts in Sydney's growth centres near the new North West Rail Link and the South West Rail Link, and the release of three additional North West Growth Centre precincts, where planning will start for a further 8,200 homes.

However, as we know, a strong and healthy community needs more than good roads and public transport; it also needs hospitals and schools. That is why the Hon. Jillian Skinner is racing around Western Sydney building better health facilities at Campbelltown, Blacktown, Mount Druitt and Penrith. Greater Western Sydney will benefit from a major investment in health infrastructure, including the \$324 million expansion to Blacktown and Mt Druitt Hospital—something the former member for Blacktown said in his final speech in this place he could not get out of the former Government over 16 years. The Government is also delivering the \$139 million redevelopment of Macarthur GP After-hours Service, Stage 1. Construction of that acute hospital service facility at Campbelltown Hospital is underway and is scheduled for completion in early 2016. The \$138 million Nepean Hospital redevelopment was opened a week ago by Minister Skinner and local members. The Government is also delivering a \$4.8 million refurbishment of Westmead Hospital's emergency department. I can also report there are now more than 4,000 additional nurses in the New South Wales public health system, including almost 400 additional employed across greater Western Sydney.

Over the next four years we will invest \$160 million in public education infrastructure across greater Western Sydney, with new schools in The Ponds, Bass Hill, Wentworth Point and Oran Park. We have delivered on a commitment to upgrade the Nepean Creative and Arts High School, which I had the pleasure of opening with Stuart Ayres earlier this year. We understand that you do not just change the name of a school to creative and performing arts. You have to give it facilities to enable its students to unlock their creative talents to achieve what then, by any measure, is one of the great growth drivers of the State's economy. As I said before, I am pleased to be the Premier who first signed up to the national education reforms because of the additional resources that that will unlock in schools in Western Sydney, particularly through the delivery of better student outcomes.

The budget this year includes more than \$146 million for projects for the NSW Police Force, which includes new stations at Liverpool and Riverstone, and, of course, we have record police numbers sitting currently at 16,176, and we are on track to deliver our commitment to boost the authorised strength of police by 859 police officers to get to 16,665 by August 2015. Almost 500 new probationary constables have been added in greater Western Sydney since May 2011.

Finally, other highlights in the budget were \$460 million to expand and improve services for people with a disability, their families and carers, and older people in the western Sydney region, which, of course, will complement our signing of the National Disability Insurance Scheme; and more than \$115 million will be spent on the Priority Sewerage Program, which is bringing essential services to Bargo, Buxton, Douglas Park, Wilton, Cowan, Galston, Glenorie and West Hoxton. We will continue to focus on an area of this city and State which is important economically and which houses many people who deserve exactly the same facilities we provide to others across this State.

CHAIR: Government members do not wish to ask any more questions. That brings us to the conclusion of the estimates inquiry into western Sydney. I thank you, Premier, and Mr Eccles for your attendance all day today and your cooperation in answering questions.

(The witnesses withdrew)

The Committee proceeded to deliberate.
