

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Monday 19 August 2013

Examination of proposed expenditure for the portfolio area

TRADE AND INVESTMENT, REGIONAL INFRASTRUCTURE AND SERVICES

The Committee met at 10.00 a.m.

MEMBERS

The Hon. N. Maclaren-Jones (Chair)

The Hon. N. Blair (Deputy Chair)
The Hon. J. Buckingham
The Hon. P. Green
The Hon. S. MacDonald

The Hon. P. G. Sharpe
The Hon. M. S. Veitch
The Hon. S. Whan

PRESENT

The Hon. Andrew Stoner, *Deputy Premier, Minister for Trade and Investment, and Minister for Regional Infrastructure and Services*

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 Minister Stoner and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolio of Trade and Investment, Regional Infrastructure and Services. In accordance with the Legislative Council 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 or 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 through 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. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to advisers seated at the table behind you. Transcripts of the hearing will be available on the web tomorrow morning. Minister, 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. Minister, 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. I remind Mr Paterson and Ms Hargreaves from the Department of Trade, Investment, Regional Infrastructure and Services that they do not need to be sworn as they were sworn in at an earlier budget estimates hearing.

STEVE TOMS, New South Wales Cross Border Commissioner, Department of Trade, Investment, Regional Infrastructure and Services, and

JEANNINE BIVIANO, Deputy Director General, Finance Strategy and Operations, Department of Trade, Investment, Regional Infrastructure and Services, and

RENATA BROOKS, Deputy Director General, Catchment and Lands, Department of Trade, Investment, Regional Infrastructure and Services, sworn and examined:

MARK PATERSON, Director General, Department of Trade, Investment, Regional Infrastructure and Services, and

KYLIE HARGREAVES, Acting Deputy Director General, Industry Innovation Hospitality and the Arts, Department of Trade, Investment, Regional Infrastructure and Services, on former oath:

CHAIR: I declare the proposed expenditure for the portfolio of Trade, Investment, Regional Infrastructure and Services open for examination. Minister, the Committee has previously agreed that there will be no Government questions. The questions for the portfolio of Trade and Investment, Regional Infrastructure and Services will run from 10.00 a.m. until 12.00 p.m. As there is no provision for the Minister to make an opening statement before the Committee commences questions, we will begin with questions from the Opposition.

The Hon. MICK VEITCH: Mr Paterson, why will you not apologise to Mr Paul Parker for the way he was treated by your department?

Mr PATERSON: Because I have nothing to apologise for.

The Hon. MICK VEITCH: Will you apologise to Mr Parker for the way in which the external investigators treated him?

Mr PATERSON: There is nothing to apologise to Mr Parker for.

The Hon. NIALL BLAIR: Point of order: I seek clarification. Is this not a matter for Primary Industries, which I believe was held last week, rather than for Trade and Investment?

The Hon. MICK VEITCH: To the point of order: There is a line of questioning and if my colleague the Hon. Niall Blair would persevere for a little longer he will see where this is going.

CHAIR: I will allow the line of questioning for a little longer. However, I remind the member to be mindful of the portfolio area.

The Hon. MICK VEITCH: Minister, do you think Mr Parker deserves an apology?

Mr ANDREW STONER: I have sought a brief in relation to the issues surrounding Mr Parker. I was told that Mr Parker undertook some public criticism of the Government's policies that was out of line with his responsibilities as a public servant. There was subsequently an investigation in relation to those allegations, which was standard procedure. Before the matters were decided Mr Parker chose to resign, and as far as I am concerned that is the end of the matter.

The Hon. MICK VEITCH: When did you seek that briefing?

Mr ANDREW STONER: It would have been either early this year or late last year. It was quite some time ago.

The Hon. MICK VEITCH: How many other employees have been subject to external investigations in the Department of Trade and Investment, Regional Infrastructure and Services in the last financial year?

Mr PATERSON: I will take that on notice. A number of people in various parts of the department have been subject to investigations for a variety of matters. If you are looking for across the portfolio over the last 12 months, I will take it on notice.

The Hon. MICK VEITCH: You may also have to take on notice the external investigation companies that are used for those investigations.

Mr PATERSON: Happy to.

The Hon. MICK VEITCH: How are those external investigation companies engaged? What is the process?

Mr PATERSON: I would normally receive advice with a recommendation on who we would engage. By recollection, IAB has been used on more occasions than other firms, but it depends on availability and access. We need all investigations undertaken and responded to in a timely fashion so it depends on availability often. A number of firms are on the pre-approved procurement list to undertake these style of activities and we work from that list.

The Hon. MICK VEITCH: If you are taking on notice the list of companies, will you also provide the number of investigations that each respective company may have conducted on behalf of your department in the last financial year?

Mr PATERSON: Happy to.

The Hon. MICK VEITCH: You said "on advice with a recommendation". Who makes that recommendation to you? Is it someone within human resources or somewhere else within the department?

Mr PATERSON: It depends on the nature of the investigation that is being undertaken, but often I will receive advice from people, learning and culture or the line area, depending on the nature of the investigation that is being looked at. If it is a disciplinary matter or a preliminary investigation, then quite often it will come to me from people learned in culture but it can come from elsewhere in the department.

The Hon. MICK VEITCH: Is past performance one of the criteria for these investigators? For instance, the Young community is quite upset about the way these characters from the company that was used in Paul Parker's case turned up to the editor of the newspaper, as you would be aware. They also went to the post office. So it was not just Mr Parker in Young; the community of Young is unhappy about the way in which the people who were engaged in that investigation behaved. Is that taken into consideration for future work?

Mr PATERSON: I accept that there have been some expressions of view. They are matters that I looked at at the time. I think there is an alternative view in relation to how the investigation was undertaken. I am satisfied that the nature of the investigation and the interaction were appropriate to the circumstances. Mr Parker has made many comments but he declined to respond to many of the initial approaches that were made to him, including requests for engagement by registered mail, which he refused to open. So a variety of circumstances led to that investigation. Of course we look at all issues in relation to performance for any procurement that is undertaken within the department, but I pass no negative judgement in relation to the undertaking of that examination.

The Hon. MICK VEITCH: You have taken a couple of questions on notice. One is the number of external investigations in your department and the other is the companies that are engaged.

Mr PATERSON: Yes.

The Hon. MICK VEITCH: I turn now to Resources for the Regions. I make it clear that I will talk about the economic assessment of mining-affected communities. It is not the program itself; it is the assessment that has been conducted. As a preamble I will read a couple of quotes from the first report, which is dated December 2011. On the first page the report states, "The working group assessed State revenue and expenditure data as well as some funding from Federal government sources and provided this information to an independent auditor, Hill Rogers Spencer Steer." In February 2013 the executive summary states, "An independent auditor, Hill Rogers Spencer Steer, was appointed to identify and report any issues which could compromise the integrity of the assessment. No issues of material concern were identified." Minister, in the 2013 report on page

six under a section entitled, "Independent Audit", towards the end of the first paragraph, it states, "Hill Rogers Spencer Steer was subsequently appointed as the independent auditors." Minister, what is the process to appoint an independent auditor for this exercise?

Mr ANDREW STONER: I would have to defer to the department in relation to the actual procurement process of an independent auditor.

The Hon. MICK VEITCH: Minister, are you briefed in any way about that process?

Mr ANDREW STONER: From my point of view as Minister, I do want a proper assessment process that is transparent and that is verified. If we did not have a robust assessment process, I would be accused of pork-barrelling in particular seats, so we need to have—

The Hon. MICK VEITCH: Heaven forbid. No-one would want to suggest there was pork-barrelling.

The Hon. STEVE WHAN: Certainly not in Maitland.

Mr ANDREW STONER: Well, I have had those suggestions—which it is not. There are robust criteria for the assessment process. Those criteria and the assessment itself are independently verified. That is to my satisfaction. How we engage the independent auditor is not something that I am personally involved with.

The Hon. MICK VEITCH: That would be the director general.

Mr ANDREW STONER: It would be the relevant agency.

The Hon. MICK VEITCH: I will ask the director general. Mr Paterson, what is the process to appoint an independent auditor for this exercise?

Mr PATERSON: I will take on notice the question in relation to the actual process that was applied for this exercise alone. We would normally select from firms that are on the approved list to undertake an audit. Each examination of a case like this is different, so it depends on the circumstances of each individual case. But on the appointment of this particular auditor for this particular exercise, I will take that on notice.

The Hon. MICK VEITCH: In the 2013 report it states, "NSW Trade and Investment invited four audit firms to tender to undertake an audit." Is there a panel from which they are selected to invite them to tender, or is it a public tender?

Mr PATERSON: No. It depends on the value of the work that is undertaken. There are thresholds below which we can go to an individual firm and seek a proposal in writing. For procurements above \$30,000 I think the cut-off is we get three proposals in writing and then make a decision based on value for money. If it tips over another threshold, which I think is \$150,000, we would go to a public tender or call for tenders. It depends on the procurement threshold and it depends on the circumstances. But that is the minimum. You have indicated from the document before you that we selected bids from four firms. We have met the minimum requirement in relation to procurement guidelines. But, as I said, given it is a very precise question in relation to this particular examination, I will take it on notice.

The Hon. MICK VEITCH: Thank you. In that process of procuring the independent auditor organisation, at any stage or at any time is there an opportunity for the organisation, the company, to declare a conflict of interest, or even a perceived conflict of interest?

Mr PATERSON: Certainly on my recollection of the process, we test to ensure that there are no conflicts of interest in terms of the proposals, but I am not aware of any conflict of interest in these particular circumstances.

The Hon. MICK VEITCH: Mr Paterson, how do you test for that? What is the process for testing if there are any conflicts of interest?

Mr PATERSON: It is usually a declaration from the proponent in the procurement that would identify that there are no interests or conflicts that would prevent them undertaking that activity. But if there is a

particular form that the Committee would like to see that we use for the procurement purpose, I am happy to examine that and then provide it on notice to the Committee.

The Hon. MICK VEITCH: If possible, if there is a page or a statement where they declare they have no conflicts of interest, that statement is a standard across your department, I suggest?

Mr PATERSON: As I said, I will have a look at the forms. We undertake a variety of procurement activities. I will just make sure that in responding to your question we are being absolutely precise—

The Hon. MICK VEITCH: I appreciate that.

Mr PATERSON: —that we can provide to you that nature of the statement that an individual or a firm would be asked to sign.

The Hon. MICK VEITCH: Were any conflicts of interest disclosed during the engagement of Hill Rogers Spencer Steer for the 2012 and 2013 reports?

Mr PATERSON: I was not personally involved in making that selection choice, so I cannot answer it directly. I am happy, in looking at the question on notice, to examine whether there are any conflicts declared. I would be very surprised if there was a conflict declared and that we proceeded with it. My initial position to the Committee would be that, no, there was not.

The Hon. MICK VEITCH: But you will check and get back to us.

Mr PATERSON: But I will check and come back with a full answer to the Committee.

The Hon. MICK VEITCH: Is making a political donation a conflict of interest?

Mr PATERSON: Not that I am aware of.

The Hon. MICK VEITCH: It is not a conflict of interest?

Mr PATERSON: No. It is not a question that we would ask.

The Hon. MICK VEITCH: In a process like this, when a Minister says that we want to make sure that it is robust, above board and we cannot be accused of pork-barrelling, to use the Minister's words, would it not be important to make sure that the company engaged to conduct the independent audit has not made political donations?

Mr PATERSON: It is not something that we explicitly test that I am aware. As I have said, I will come back on the precise details. I will stand corrected on the precise detail of it. We do not question the nature of donations. We seek assurances that there are no issues of conflict of interest that would prevent the person undertaking the task that is before them. But, as I said, I am happy to come back on the precise detail. But I am not aware. I do not have access, nor do I seek to.

The Hon. MICK VEITCH: Would you be surprised to know that Hill Rogers Spencer Steer made a donation to the Liberal Party?

Mr PATERSON: As I said, it is not a question that I would ask and I do not know who does or who does not.

The Hon. MICK VEITCH: Minister, it would hardly seem independent, if the organisation engaged to conduct a robust audit or assessment of this document or this process wanted to avoid the perception of pork-barrelling. Do you not think that hardly seems independent?

Mr ANDREW STONER: Mick, can I just point out that the situation in relation to donations has changed. A company like Hill Rogers Spencer Steer would now be excluded from making any political donation.

The Hon. MICK VEITCH: Yes.

Mr ANDREW STONER: We could go back in history to the time when the Labor Party was in government.

The Hon. MICK VEITCH: No. I am talking about this document.

Mr ANDREW STONER: If we were to exclude every company on that basis that had ever made a donation, which is a democratic right of every individual, and at that time every company, you would not be doing much business with too many companies. As I say, if you want to go back and make some comparisons—

The Hon. MICK VEITCH: No. I want to talk about this one.

Mr ANDREW STONER: —about companies that were doing business with your government and the donations they made, I am happy to do it.

The Hon. MICK VEITCH: That is okay. I think we agree that it was not that independent, the audit.

Mr ANDREW STONER: I do not agree with that at all.

The Hon. NIALL BLAIR: Point of order: The member is drawing the longbow in suggesting that the Minister agreed to what he was asserting. I do not think I heard him say that at all. They are his words and I do note that is something that should be put to the Minister.

The Hon. MICK VEITCH: I said we agree.

The Hon. NIALL BLAIR: I am sorry. I thought you were talking about the Minister.

The Hon. MICK VEITCH: Take it back.

The Hon. NIALL BLAIR: I will maintain my point of order.

Mr ANDREW STONER: From my point of view, the proper procurement processes were applied. The policy, which is my principal concern—to make sure there was a proper process for the allocation of Resources for Regions funds—was followed.

The Hon. MICK VEITCH: Okay.

Mr PATERSON: Could I just observe that I have drawn up the New South Wales Government procurement policy issued by the New South Wales Treasury. It refers to the standards of behaviour and states, "All parties will behave in accordance with the following standards at all times." Under "No conflict of interest" it states:

A party with a potential conflict of interest will declare and address that interest as soon as the conflict is known to that party.

If there was any conflict of interest, it is the responsibility of the party who has the conflict to make that conflict known in terms of procurement.

The Hon. MICK VEITCH: It would appear that they probably have not, but you will take that on notice and check for us?

Mr PATERSON: Yes.

The Hon. MICK VEITCH: In relation to this audit, Hill Rogers Spencer Steer wrote a letter dated 25 January 2013 to Mr Scott Davenport, which states:

Because the above procedures do not constitute either an audit in accordance with the Australian auditing standards or a review in accordance with the Australian auditing standards applicable to review arrangements, we do not express any assurance on the economic assessment of mining-affected communities.

Even the auditors are saying it was not an audit.

Mr PATERSON: No.

The Hon. MICK VEITCH: In fact, they are also saying it is not a review.

Mr PATERSON: They are saying it is not an audit or a review for the purposes of those standards. They are not saying that the task that they were asked to undertake was not done by them in a proper and professional manner. We can get all sorts of exclusions from most professional firms. The introductory paragraph states what the work is and is not, and they say it is not an audit for the purposes of a particular standard. I cannot quote to you or to the Committee what that accounting standard is at any point in time. I do not think you can take the step that because it is not an audit for the purposes of a particular accounting standard they have not fulfilled the responsibilities that was asked of them in respect to this examination.

The Hon. MICK VEITCH: When you look at the scope, which was what you were talking about in the opening paragraph, the terms of reference are referred to and an analysis of the source data. Clearly that qualifying statement says they provide no assurance on the document itself. What did they do in this audit, review or whatever you want to call it? They have clearly put in a qualifying statement.

Mr ANDREW STONER: It is a standard disclaimer. When a company is talking about the technicalities of what does and does not comprise an audit in relation to Australian accounting standards, they will put in a disclaimer, and that is all it is. From my point of view, there have been independent oversight and verification of the process. Whether that is called an audit or something else I do not really care, so long as we have had the process oversighted by an independent body. Again, going back to my earlier point, I am not in a position of saying, "Oh, well, the Leader of The Nationals decides that it is a good thing to stick taxpayers' money into The Nationals seats." That is not what the program is about, and I have been very careful to ensure that that has not occurred.

The Hon. MICK VEITCH: In relation to the model for truck movements, why was it determined in this year's assessment, for instance, which local government areas will be in and which will be out of the funding process?

Mr PATERSON: We looked at those communities that were directly affected and those communities that were indirectly affected. In looking at both direct and indirect effects of substantial truck movements through a community that may, by local government boundaries or some other reason, not be a local government area that has a mine but is the local government area through which all of the mine's output and inputs to the mine travel, then those communities and the infrastructure in those communities can be substantially affected. In looking at mining-affected communities, which was the task that was before us, we looked at both those that were directly affected and those that were indirectly affected and substantial truck movements is one of those substantial indirect effects that we examined.

The Hon. MICK VEITCH: Were any other models looked at in regards to determining an effective model of what is a mining-affected community?

Mr ANDREW STONER: This is a new program that was rolled out for the first time in 2011-12. There were only two local government areas which attracted funding out of that initial assessment which was just around direct affect. We did have feedback from a lot of communities with mining activity. We had some criticism, including probably from yourself that we did not go far enough.

The Hon. MICK VEITCH: That may be right.

Mr ANDREW STONER: And there was not sufficient funding and it did not fully recognise the impacts of mining. For the subsequent assessment, to which you refer, we considered indirect effects on communities of mining-related activity which were around, principally, truck movements. I have to say, for the process for next year we are again reconsidering the criteria of what is mining-affected. This time we are looking at a combination of direct effect, which is your royalty-type measurement plus truck plus perhaps rail movements. It is a program that is under evolution and we are considering the guidelines and criteria on an ongoing basis to make sure that communities that deliver wealth to the New South Wales economy, and ultimately to the Government, and suffer the impact of the activities surrounding the production of that wealth get some sort of return, specifically in relation to their overstretched infrastructure.

The Hon. MICK VEITCH: On reading the document it is very difficult to understand why Sutherland is included in the table with truck trips not estimated but Maitland is not included. Will you explain why Maitland, for instance, was not included?

Mr ANDREW STONER: We involved Local Government NSW, formerly the Local Government Association of New South Wales, in the process because the program is based around local government areas.

The Hon. MICK VEITCH: Is that the survey process?

Mr ANDREW STONER: It was involved in calling for expressions of interest, particularly for this indirect assessment. There were a number of local government areas that did not respond to the expressions of interest process, which included Maitland, Cessnock and Gunnedah. All those local government areas have since expressed dissatisfaction with the process. However, the process was transparent and it was a process that was followed by most of the other local government areas affected by mining-related activities. Those particular local government areas simply did not take the opportunity to apply for that extra assessment of the indirect impacts.

The Hon. MICK VEITCH: Did the Minister for the Environment, the member for Maitland, make any representations to you about including Maitland in the process for this year?

Mr ANDREW STONER: No, she has not to my knowledge, no direct representation to me.

The Hon. MICK VEITCH: No representations at all on behalf of her community? That is staggering.

Mr ANDREW STONER: However, following the first assessment I do recall her saying that indirect impacts, including truck movements, ought to be considered. It is not up to the member for Maitland to put forward an expression of interest in the amended process. It was up to the Maitland City Council—

The Hon. MICK VEITCH: The member for Maitland has made no representations to you about the fact that Maitland was excluded?

Mr ANDREW STONER: No, the mayor did.

The Hon. MICK VEITCH: As you would imagine, we are receiving correspondence from people in the area who want to know why they missed out.

Mr ANDREW STONER: There may be a formal representation somewhere; I have not had a discussion with her about it. I will take that question on notice and if there have been formal representations made I will advise you. However, I emphasise that the member for Maitland did speak to me directly about the need to consider indirect impacts.

The Hon. MICK VEITCH: You said you are looking at evolving this yet again. In that next iteration are you also looking at including train movements?

Mr ANDREW STONER: Possibly.

The Hon. MICK VEITCH: Is there anything else that possibly might be included?

Mr ANDREW STONER: My statement earlier was that we would consider a combination of factors, the direct impacts as assessed by royalties, the indirect impacts as assessed by truck movements and possibly other indirect impacts which could include, for example, train movements. I am aware that in some regional communities there are issues around local roads being cut frequently by coal trains for long periods of time and this may be a useful purpose for Resources for Regions to enable overpasses or underpasses on those roads.

The Hon. MICK VEITCH: How is the funding for Muswellbrook District Hospital emergency department, which was included as one of the projects to be funded from last year's budget, progressing? Will you provide an update?

Mr ANDREW STONER: I would have to talk to the Minister for Health. Health Infrastructure would be delivering the project. I would have to get information from her.

The Hon. MICK VEITCH: Will you take the question on notice?

Mr ANDREW STONER: Yes.

The Hon. MICK VEITCH: Much has been made of the fact that resources for regional programs are aimed at communities where the New South Wales Government collects a certain threshold of mining royalty. Will you advise how much of the funds that are included in this year's budget come from royalties and how much from asset sales?

Mr ANDREW STONER: We have never established a direct link between the quantum of resources for regions funding and royalties. We have always pointed to a direct link between the funding for Resources for Regions and Restart NSW, which is the fund for additional infrastructure investment over and above the normal capital budget of government. Restart NSW is a fund that has drawn funding from a number of sources. It includes, for example, windfall revenue, that is, revenue over and above budget estimates—the actual revenues for a financial year—and I am aware that some funds have been realised for Restart NSW in that way. It includes the money from Waratah bonds, which is the NSW Treasury bonds. It includes the proceeds of privatisations or leases of assets and, in recent times, that would include some of the funds from the desalination plant transaction, the ports Botany and Kembla transactions and it will include some of the funds from the transaction involving the State's remaining generators.

The Hon. MICK VEITCH: So you are unable to actually—

Mr ANDREW STONER: There is no direct link between Resources for Regions and royalties, other than the use of the royalties data in the assessment of mining impact.

The Hon. STEVE WHAN: What is the long-term future for this program, once your assets sales program is largely completed?

Mr SCOT MacDONALD: Point of order: Is that tipping into Cabinet in confidence?

The Hon. STEVE WHAN: Come on, I think the Deputy Premier will know if it is.

CHAIR: Order! I thank The Hon. Steve Whan for his suggestion. The Minister can answer the question as he sees fit.

Mr ANDREW STONER: Resources for Regions was a pre-election commitment and it related to our first term of government. I think it has been quite successful, although we have only really seen the early results from the first tranche of funds, which was only in the order of \$10 million. We would need to assess this subsequent tranche—the \$120 million in this financial year—as to whether we would roll the program over to the next term. Of course, each side of politics goes to each election with a set of policies and I would personally hope that Resources for Regions would form part of our policy platform for the 2015 election, but we would need to do an assessment to make sure that it is hitting the mark in respect of the investment of taxpayers' dollars. Yes, for the balance of the term, absolutely and I am hopeful that that assessment, that evaluation, will support the program that I think has been pretty good and that we will be able to roll that over for at least the next term.

The Hon. STEVE WHAN: Would you want to see a future program funded through recurrent funding or continue to be funded through asset sales and one-off?

Mr ANDREW STONER: Those are the considerations that Cabinet and, in particular, the Expenditure Review Committee will make between now and March 2015.

The Hon. MICK VEITCH: After the February 2013 report entitled, Economic Assessment of Mining Affected Communities, was released in April 2013 an addendum report was released that included Wollongong in the list of councils. What was the trigger for the review to determine that other local government areas may have been inadvertently, should I say, missed out? Particularly after the source data was audited, I am a little surprised that after you had gone through such a rigorous process at the start with an independent auditor—

Mr ANDREW STONER: Are you arguing against a Labor Party seat subsequently being included?

The Hon. MICK VEITCH: No, I just want to know why was it not there in the first place. That is what we want to know, otherwise, it looks like a pork barrel—using your words.

Mr ANDREW STONER: I will give you my advice:

Wollongong was not originally included in the 2013-14 Resources for Regions program. The 2012 Assessment of Mining Affected Communities identified LGAs directly impacted by mining activity based on royalties paid.

This is some of the ground we have just been over.

The assessment did not take into account the fact that some LGAs directly impacted by mining also experience high levels of indirect impacts associated with mining. A subsequent analysis of LGAs which are directly impacted by mining and also identified themselves as indirectly impacted by mining in the survey has found that the Wollongong LGA experiences significantly higher truck movements than Newcastle.

Following the subsequent analysis a separate EOI process was opened for Wollongong in 2013-14. This EOI process has been combined with the EOI process for the seven LGAs initially identified to enable assessment of all projects simultaneously.

Newcastle City Council did not submit any EOIs for the first round of 2013-14 funding, despite being contacted directly by NSW Trade and Investment staff and advised that Newcastle LGA was an eligible area. The Council has been criticised publicly for not submitting an EOI.

That is the advice that I have received. It was in relation to the issue of truck movements. Once Newcastle had identified a significant number of trucks, it was obvious that Wollongong had even more, so a correction was made. As I explained earlier, it is a program that is in its genesis and we are refining the criteria all the time and that refinement process goes on.

CHAIR: We will move to questions from the crossbench.

The Hon. JEREMY BUCKINGHAM: Deputy Premier, how many regional medical schools are there in New South Wales?

Mr ANDREW STONER: That would be a question which is outside my brief, because it is outside my portfolio. We have a Minister for Health and a Parliamentary Secretary for Regional Health who could answer that immediately. However, to my knowledge, we have regional medical schools at Tamworth, Armidale, Coffs Harbour and Newcastle. They are probably also at Wagga Wagga and possibly Bathurst, but I would have to take that on notice. Again, it is outside my portfolio so I am not briefed on it.

The Hon. JEREMY BUCKINGHAM: I thought it would have something to do with regional development. The answer is actually none. Are you aware of the proposal of Charles Sturt University and La Trobe University to establish the first regional medical school outside a major metropolitan area?

The Hon. NIALL BLAIR: Point of order: If the member wants to waste his time on questions that are outside the Minister's portfolio, that is up to him. I reiterate: The Minister has already indicated that these medical schools are questions for the Minister for Health, whose portfolio will be dealt with on Friday.

The Hon. JEREMY BUCKINGHAM: To the point of order: I think this is clearly within the Minister's portfolio, in terms of regional infrastructure and services. It is critical regional infrastructure and one of the most important pieces of regional infrastructure and one of the most critical services that we can have. I am surprised that the Deputy Premier did not know we did not have a regional medical centre—

The Hon. NIALL BLAIR: To the point of order: The question is not whether these are important pieces of infrastructure; the question is whether this Minister is responsible for that infrastructure. The Minister has clearly stated that this is not an area within his portfolio. We are here to investigate and ask questions about the Minister's responsibilities. It is not a question about whether they are important or not, but about whether the Minister has responsibility. I raise my point again: That this question is not directed to this Minister and should be put to the Minister for Health on Friday.

The Hon. MICK VEITCH: To the point of order: I find it astounding that the Chair of the National Party thinks these are not important issues for rural New South Wales. Especially as it comes within Regional Infrastructure and Services—I cannot see how it does not come under that area.

The Hon. NIALL BLAIR: Further to the point of order: I have clearly indicated that these are important pieces of infrastructure but I reiterate the point that it is not for the Minister to answer that question. It is not his responsibility and he cannot answer on behalf of another Minister who has responsibility for this infrastructure. We can go around and around in circles trying to score cheap points as to whether these are important or not.

The Hon. JEREMY BUCKINGHAM: Do you think a regional medical centre is a cheap point?

CHAIR: Order! The Hon. Jeremy Buckingham will come to order. The Hon. Niall Blair is making a point of order.

The Hon. NIALL BLAIR: Whether I think it is important or not and regardless of whether I or my party does, is not a question for this Minister. The Minister is here to answer questions about his portfolio of Trade and Investment. I am happy for us to continue to go around and around in circles—

The Hon. JEREMY BUCKINGHAM: You are going around in circles.

The Hon. NIALL BLAIR: —until we get to a question that is finally for the Minister to answer in his portfolio area.

CHAIR: Order! I uphold the point of order. This is a matter for the Minister for Health and not for the Minister for Infrastructure and Trade.

The Hon. JEREMY BUCKINGHAM: Minister, how many people are employed in mining in New South Wales?

Mr ANDREW STONER: Just before I come to that, can I say that there are a number of rural medical schools in New South Wales.

The Hon. PENNY SHARPE: Here we go. You are going to talk about it now.

Mr ANDREW STONER: However, if there is a proposal for a particular development, discussions would take place initially with the Ministry for Health. If some support was sought through the regional development aspects of my portfolio, I would subsequently be contacted. I have not been contacted to this point.

The Hon. JEREMY BUCKINGHAM: So you are supportive of the proposal from Charles Sturt University?

Mr ANDREW STONER: I do not have the details of that proposal in front of me.

The Hon. JEREMY BUCKINGHAM: You are not aware of that proposal?

Mr ANDREW STONER: I am happy to consider it.

The Hon. STEVE WHAN: It has been on the table for a couple of years.

Mr ANDREW STONER: The discussions initially would need to take place with the Minister for Health.

The Hon. JEREMY BUCKINGHAM: Are you saying, Minister, that—

Mr ANDREW STONER: I am not the Minister for everything; I wish I was sometimes.

CHAIR: The Hon. Jeremy Buckingham will come to order and allow the Minister to answer the question before interrupting and asking another question.

The Hon. JEREMY BUCKINGHAM: Minister, are you saying that you are—

Mr ANDREW STONER: I am not the Minister for Health; I am not the Minister for everything. Sometimes I wish I was. The point of order has been upheld. I am not going to talk about that any more. In relation to your question about people employed in mining, it is 80,000.

The Hon. JEREMY BUCKINGHAM: Are there more people employed in agriculture or mining?

The Hon. STEVE WHAN: Directly or indirectly?

The Hon. JEREMY BUCKINGHAM: Directly?

Mr ANDREW STONER: Accordingly to the advice provided to me, there are 83,000 people employed in agriculture, fisheries and forestry compared to 80,000 in mining. It is a little hard to remove the fisheries and forestry part, but they are roughly the same according to the advice that I have been provided.

The Hon. JEREMY BUCKINGHAM: What is the value of coal exports to New South Wales in terms of gross State product? Do you expect this to increase as we move forward?

Mr ANDREW STONER: That is a question that would probably be best directed to the Minister for Resources and Energy, who has oversight of mining activity.

The Hon. JEREMY BUCKINGHAM: Are you saying that is not a trade issue?

Mr ANDREW STONER: However, I am told that the value of mineral exports has increased for the latest data, which is 2011-12. Coal exports were the highest export earner for the State in that financial year and they grew from 29.1 per cent in 2010-11 to a figure of slightly over \$14 billion in 2011-12. As to whether the value of those exports grows, that would be subject to international demand and international commodity prices, including the price of coal.

The Hon. JEREMY BUCKINGHAM: I understand that, but do you expect that value to go up in the coming years?

Mr ANDREW STONER: Look, I am not an economist, Jeremy. Most of the demand has come out of Asia, principally China, Korea and Japan. There is data out around manufacturing and demand for commodities which suggests there has been a slow down out of those nations. I am not paid to be an economist and make those sorts of predictions. If I was I would not be sitting here talking to you.

The Hon. JEREMY BUCKINGHAM: But the Government has prepared a budget. What is the Government forecasting in terms of increase or decrease of coal exports and their value to gross State product?

Mr ANDREW STONER: The budget figures, which ought to be known to you and they are available online, would refer to estimates in relation to royalties. They would not have a specific figure on royalties applicable to coal.

The Hon. JEREMY BUCKINGHAM: Yes, they do.

Mr ANDREW STONER: Do they?

The Hon. JEREMY BUCKINGHAM: Yes.

Mr ANDREW STONER: Well, why are you asking me the question? Why don't you tell me the answer?

The Hon. JEREMY BUCKINGHAM: I want to see if you know.

Mr ANDREW STONER: You want to be a bit tricky.

The Hon. JEREMY BUCKINGHAM: It is the largest export in the State and you are the Minister for Trade.

Mr ANDREW STONER: Do you support it? Do you support the coal industry if it is the largest export in the State? What is the point?

The Hon. JEREMY BUCKINGHAM: Don't know; just say you don't know.

The Hon. NIALL BLAIR: You don't know.

The Hon. JEREMY BUCKINGHAM: I know what the budget papers say. You clearly do not.

CHAIR: Order!

Mr ANDREW STONER: Revenue from royalties has declined in the latest budget.

The Hon. JEREMY BUCKINGHAM: That is wrong. Anyway, are you aware of the proposal for the Macquarie pipeline to service the water infrastructure of the city of Orange?

Mr ANDREW STONER: That question would be best directed to the Minister for Primary Industries and Water, but I am aware of the proposal in general, yes.

The Hon. JEREMY BUCKINGHAM: Are you saying again that that is not a key piece of regional infrastructure?

Mr ANDREW STONER: No, I am not saying that. I am simply saying that if I were to cut into other Ministers' responsibilities, answer for them and make public statements in areas within their specific portfolio control, it would be a fairly dysfunctional government.

The Hon. JEREMY BUCKINGHAM: True. Does the Government support the proposed Macquarie pipeline?

Mr ANDREW STONER: To my knowledge, and again this is outside my direct purview as a Minister, these matters are up to the local governments involved in consultation with the State and Federal governments.

The Hon. JEREMY BUCKINGHAM: That is not true. It is up to the State government to give it planning approval.

Mr SCOT MacDONALD: Point of order: Is the member asking questions or making statements?

CHAIR: Yes, that did not seem to be a question. I remind the member that the Minister has said that the last question was outside his portfolio.

The Hon. JEREMY BUCKINGHAM: Another one outside his portfolio—that's fine. Minister, have you or representatives of your department had any discussions with parties expressing an interest in purchasing the State's power stations in relation to the proposed Coalpac mine expansion near Cullen Bullen?

Mr ANDREW STONER: To my knowledge, certainly I have not had any such discussions. There is a transaction overseen by the Treasury which is currently underway in relation to the four base load coal-fired generators so there may have been discussions in relation to the generators in that area but those discussions have not been undertaken by me. I do add a qualifier to this: on trade missions that I have undertaken, part of the role that I have is to make potential investors aware of opportunities to invest in New South Wales and that would include transactions that were currently underway seeking expressions of interest for investment, for example, the ports transaction but also the generators transaction, so I may have mentioned the sale of the generators collectively whilst on a trade mission but nothing specifically in relation to Coalpac.

The Hon. JEREMY BUCKINGHAM: So nothing from your department in relation to Coalpac?

Mr ANDREW STONER: I would have to ask the director general that question.

Mr PATERSON: The sale of the generators is a transaction being undertaken by the Treasury. Has my department been involved in discussions associated with Coalpac? The answer is yes, not explicitly in relation to

the generator sale because, as I said, that is a transaction being managed by the Treasury but Coalpac with respect to the supply of coal and development applications with respect to Coalpac. Yes, we have been involved in discussions.

The Hon. JEREMY BUCKINGHAM: With parties who have expressed an interest in purchasing those power generators?

Mr PATERSON: We have been involved in discussions associated with Coalpac in relation to its development application—that is what I just said to you. I said we have not been involved directly in discussions associated with the sale of the generators because that is a transaction being undertaken by the Treasury. I was very careful in what I said to you.

The Hon. JEREMY BUCKINGHAM: But indirectly as the department?

Mr PATERSON: No, no. I said—

The Hon. JEREMY BUCKINGHAM: You said you had not—

Mr PATERSON: Please listen to what I am saying to you.

The Hon. JEREMY BUCKINGHAM: I am listening to what you said. You said you had—

CHAIR: The Hon. Jeremy Buckingham will come to order and allow Mr Paterson to answer the question.

Mr PATERSON: I have indicated that we have not been involved in discussions associated with the sale of the generators. That is a transaction being undertaken by the Treasury. We have been involved in discussions associated with Coalpac and its development applications in relation to the extension of the mine.

The Hon. JEREMY BUCKINGHAM: In terms of those discussions there has been no—

The Hon. NIALL BLAIR: Draw a picture for him.

Mr PATERSON: Chair, asked and answered.

The Hon. JEREMY BUCKINGHAM: So there have been no discussions about the Coalpac development from your department with anyone who has expressed an interest in purchasing those generators or those issues around Coalpac and the supply of coal have not been discussed in relation to the future supply of coal to someone who may purchase those power generators?

Mr PATERSON: Clearly any discussion associated with Coalpac and the development application for extension of the mine indirectly has an implication in relation to the supply of coal to generators so you cannot say there have been no indirect issues raised by officers of my department with respect to the indirect effects of a development application with respect to Coalpac and the mine extension. The transaction in relation to the sale of the generators is being undertaken exclusively by the Treasury.

The Hon. JEREMY BUCKINGHAM: Your department has had no role in that?

Mr PATERSON: I have answered to the best of my ability.

CHAIR: The question has been answered.

The Hon. NIALL BLAIR: That is all right. He can ask it as many times as he wants. It is his time.

The Hon. JEREMY BUCKINGHAM: It is a pretty important question to the people of Cullen Bullen. Minister, draft wind farm guidelines were released in December 2011 with public comment closing in March 2012. In light of the boost that wind farm development would bring to regional communities, why is your Government sitting on these guidelines and failing to give investment certainty to the wind industry?

Mr SCOT MacDONALD: Point of order: The Committee member seems confused about his portfolios. That question falls under the Department of Planning and Infrastructure.

CHAIR: I believe it is outside the Minister's portfolio, but witnesses and the Minister are entitled to answer as they see fit.

Mr ANDREW STONER: The preparation of wind farm guidelines is the direct responsibility of the Minister for Planning and Infrastructure. The question ought to be asked of him.

The Hon. PAUL GREEN: I note that 14 infrastructure projects in mining-affected communities have been shortlisted for funding in the first round of this year's Resources for Regions program. Can you clarify who were the assessors on the independent assessment panel?

Mr ANDREW STONER: The independent assessment panel comprises Infrastructure NSW, NSW Farmers and Local Government NSW. That panel makes recommendations to the board of Infrastructure NSW. Obviously, the panel has been involved in a shortlisting process in consultation with my agency, NSW Trade and Investment, Regional Infrastructure and Services. I do not know the names of the individuals, if that is what you were after.

The Hon. PAUL GREEN: No, that is fine thank you. I note that the projects were "chosen due to their capacity to support economic growth and productivity, relieve infrastructure constraints and support New South Wales communities affected by mining". What specific selection criteria were used to shortlist the particular projects?

Mr ANDREW STONER: The involvement in the process of Infrastructure NSW is to ensure that projects that receive funding are aligned to the State's economic priorities. We established Infrastructure NSW as a level of independence and expert advice to the Government on the forms of infrastructure that would deliver the best return to the economy, and therefore to jobs. This State—and I think elsewhere in the country—had a history of too many political promises being made—projects allocated on the basis of whim or the latest thought bubble. So I guess Infrastructure NSW is to keep the Government honest. It undertakes assessments based on benefit cost ratios—that is, what is the return to the economy for so many dollars spent.

That overlay on the assessment is the path through which all applications have to follow. In addition, the involvement of Local Government NSW and NSW Farmers would bring a degree of local community need for those particular projects. That is the process we have set up. As I say, it is really important that funds are not used, for example, for a local government idea to replace local government expenditure on an essential item. By the way, the sorts of things that have come up are around water and sewerage infrastructure, roads, bridges, health infrastructure et cetera, which gives the best return to those local communities.

The Hon. PAUL GREEN: Are you able to provide the complete details of the assessment process?

Mr ANDREW STONER: I am.

The Hon. PAUL GREEN: You can take that on notice.

Mr ANDREW STONER: I have it here somewhere. We will get it back to you on notice. I have so many briefing notes that it is not easy for me to navigate them.

The Hon. PAUL GREEN: Can you explain the effects of the Federal Government's decision to alter the 80:20 funding ratio on the Pacific Highway, given its importance as an arterial road? Will the completion timelines be affected? Given all the different windfall revenues you just mentioned—Waratah bonds, desalination leasing and ports leasing—and the importance of that particular infrastructure, does the Government intend to quicken the works for its commitment?

Mr ANDREW STONER: That is a very good question. When we came to office in 2011 there had been an historical precedent of 80 per cent funding from the Federal Government, or better, for the Pacific Highway and 20 per cent.

The Hon. PENNY SHARPE: That is not what you said in opposition.

Mr ANDREW STONER: It was also our understanding that the Pacific Highway was a national land transport—

The Hon. PENNY SHARPE: That is not what you said in opposition either.

Mr ANDREW STONER: I beg your pardon?

The Hon. PENNY SHARPE: That is not what you said in opposition either.

Mr ANDREW STONER: —which was funded at 80:20, similar to the Hume Highway, for example. Then the relevant Federal Minister said, no, it goes to 50:50, which presented us with an immediate budgetary problem in the order of \$2.3 billion. From memory, that was our shortfall in the balance of the works to be undertaken to achieve the full upgrade of the Pacific Highway. We have lifted our funding through some of those asset transactions you mentioned and through Restart NSW. Out of that process we are also directing funds towards the Princes Highway, which is also a priority. There are some limits on how quickly we can accelerate the process.

We have approached both sides of politics federally to reallocate moneys that were put aside for a Parramatta to Epping rail link by the previous Prime Minister to the Pacific Highway. I am happy to say that the Liberal Party and The Nationals have agreed to do that, which fills our black hole. Unfortunately, the Labor Party has not agreed to do that. We will continue to apply as much as we possibly can from Restart NSW towards finalising the project. The Federal Government, having shifted the goalposts, has made it difficult, but we understand now that the 2016 deadline committed to by the former Prime Minister will now not be achieved. It is now looking something more like 2018.

The Hon. PENNY SHARPE: Said by your own roads Minister.

The Hon. PAUL GREEN: Given that is one of the major infrastructure investments, are Infrastructure NSW and Restart NSW on track with your goals?

Mr ANDREW STONER: Again, when we came to office in 2011 we had a commission of audit and some works undertaken around the infrastructure backlog—the pressing items of infrastructure—to get the State's economy moving again. From memory, that backlog was more than \$80 billion. We are attempting to fund the more pressing items, which include the Pacific Highway and the Princes Highway. We have ongoing commitments also to the Great Western Highway. We have had commitments to finalise the South West Rail Link and also the North West Rail Link because the people in that part of Sydney have scant public transport but fairly high toll roads to achieve.

The Hon. PENNY SHARPE: You are taking \$2 billion from the Federal Government.

Mr ANDREW STONER: We also have the airport precinct. We have massive congestion on the M5, in particular, and the M4, and we have the missing link from the F3 to the M2. These are all priority items and we are using the proceeds of those asset transactions to, hopefully, cover as much of those as we possibly can. But that is really only scratching the surface, I have to say.

The Hon. PAUL GREEN: In light of the recent survey—you may heard it this morning on the news—73 per cent of people agree that we should have a second airport. Are you of the view that we should get on with the job of building a second airport given the congestion and future congestion with the ports increase?

Mr ANDREW STONER: The issue of aviation and airports is a Federal one. We are looking for some leadership from the Federal Government backed with actual funding to build a second airport—

The Hon. STEVE WHAN: It did not stop the Premier answering.

Mr ANDREW STONER: —which is in the order of \$7 billion to \$11 billion. Personally, I think we should extend the life of Kingsford Smith—

The Hon. STEVE WHAN: Now we are on to the script.

Mr ANDREW STONER: —airport for as long as possible while we get on with the job, hopefully under a new Federal Government, of identifying a site for and building another airport. There are some things that can be done in relation to the caps, which is the number of flight movements per hour. I see also in this morning's paper there are discussions around the curfew and a master plan in relation to the Sydney airport precinct which would drive improvements in productivity and extend the life of that airport. It is a matter for the Federal Government. We need a firm plan backed by the funding that will be required.

The Hon. PAUL GREEN: In terms of relocation grants—one of our favourite topics—it was noted last year that—

The Hon. MICK VEITCH: Do not pinch my questions.

The Hon. PAUL GREEN: —quite a few of them were not taken up. What further initiatives is the New South Wales Government implementing to increase decentralisation and how are they tracking?

Mr ANDREW STONER: Thanks for the question.

The Hon. PAUL GREEN: Mr Veitch can follow it up.

Mr ANDREW STONER: Earlier this year I established a decentralisation task force to consider those very issues that you raise. I think the initial take-up of the relocation grants was not what we had hoped. It may have been the economic circumstances of the time, the post global financial crisis malaise, the economy generally, people being more conservative and less likely to uproot and go and make the tree change or the sea change; that was my take on why the take-up was low.

The Hon. PAUL GREEN: They need medical skills out there actually.

Mr ANDREW STONER: I am sure.

The Hon. PAUL GREEN: More rural doctors.

Mr ANDREW STONER: There are a whole lot of issues around decentralisation, which is why I established the task force. That task force has now made a number of recommendations to the Government. The recommendations are fairly broad but they do certainly include some targeting of the regional relocation grant and some changes to the criteria. One of the criticisms was not only in relation to the low take-up but also in relation to the fact that because of the boundaries some people were able to move a fairly short distance, for example, from the Illawarra or Wollongong metropolitan area to Shellharbour.

The Hon. MICK VEITCH: That is almost across the street.

CHAIR: Order!

Mr ANDREW STONER: You have to have a boundary somewhere. That was one of the issues identified. There were criteria based around home ownership, sale of that home in the metropolitan area and purchase of another residence in the regional area, and there are recommendations around that. The Government is considering the recommendations of the decentralisation task force. It will release both the task force report and the Government's response to the recommendations which, as I say, will address those issues and make some changes to the regional relocation grant.

The Hon. PAUL GREEN: The regional relocation grant of \$7,000, is that still going, can people still apply?

Mr ANDREW STONER: It is still going.

The Hon. PAUL GREEN: How many were on offer and how many have been taken-up to date?

The Hon. MICK VEITCH: Just read my questions on notice.

CHAIR: I remind Committee members if they wish to engage in chitchat we will be having a break later and you can do so then.

Mr ANDREW STONER: I do have the latest figures: As at June this year a total of 2,303 households have received the grant. Of those 1,984 grants were for purchasing existing homes. We made a slight change in the criteria in relation to purchases of vacant land to build a home and that attracted 233 grants. Thirteen grants were for purchasing off-the-plan properties and 73 grants were for entering into long-term leases. Empty-nesters represented the greatest take-up of the grant: 1,142 grants were made to people aged 51 to 70 years. That makes me an empty-nester—I wish! And 296 grants to people aged 71 to 100 years. This is one of the issues considered by the decentralisation task force as to whether it was targeted at the people we do want to relocate versus those who are probably going to relocate anyway. The average distance of relocations was 200 kilometres. The shortest distance was one kilometre—not across the road, Mr Veitch.

The Hon. STEVE WHAN: Close enough.

Mr ANDREW STONER: One kilometre from Kotara, which is Newcastle City Council, to Lambton Heights, which is Lake Macquarie City Council. There are some issues around it and hopefully the recommendations from the decentralisation task force, as responded to by the Government, will address those issues.

The Hon. MICK VEITCH: Minister, you mentioned the decentralisation task force report and the Government response and said you were going to release those at some stage. When do you envisage that being released?

Mr ANDREW STONER: It should be fairly shortly. The response has not been to Cabinet at this point but a Cabinet minute is being worked upon. I would say within the next month or so.

The Hon. MICK VEITCH: September or something like that.

The Hon. STEVE WHAN: Minister, you mentioned earlier that Cessnock and Maitland councils have not returned surveys for Resources for Regions and that was the reason they were not included. Can you take on notice and provide us with the documentation relating to the survey sent to Maitland and Cessnock councils? In other words, what was sent to them including the covering letters?

Mr ANDREW STONER: I am happy to do that. This was initiated by Local Government NSW, that was the process, but we will get all the documentation around that and table it with the Committee.

The Hon. MICK VEITCH: Minister, some of these questions you may need to defer to the people beside you. I have a series of questions concerning the Sapphire SAP by design. Are you satisfied with the implementation of the Sapphire SAP by design?

Mr ANDREW STONER: The reports that I have had is that this is the largest cloud-based SAP program undertaken anywhere in the world and that it has been viewed as a good example by some of the other agencies within the government, but I will ask Mr Paterson to comment further.

The Hon. MICK VEITCH: That will not be reflected in *Hansard*, but that was very good. The Knights could have used that style last night.

Mr PATERSON: There were some people tackled. Leaving that aside. The enterprise resource planning [ERP] rollout has been, I think, very successful. We started the task with six different finance systems, six different payroll systems and six different human resources and document record management systems that did not talk to each other and had no common accounts. From start to finish, from going to the marketplace and contract selection to go-live, was done in under 12 months. Phase one of the implementation, which is the main department, went live with the finance component in December of last year and we went live with the payroll component in March of this year. It will provide a pay-back inside 12-months from the investment that was made in undertaking this activity.

I point out by contrast if you wanted to compare it, when Queensland Health sought to replace their payroll system at a cost of \$4 million it took four years and \$1.2 billion. We paid everybody on time and correctly in the first live payroll run that we went on when we rolled out the new system. By any benchmark it has been successfully implemented. It is a very significant change process because we have not bought a finance

system, we have not bought a payroll system and we have not bought a human resources system, we have bought a service.

It is a cloud-based software service where we pay for the provision of a service and the responsibility rests elsewhere in respect of ensuring that the software and the hardware infrastructure are maintained. The change process means that we need to change the way we do things inside the department. It means that individuals need to change their approach and any change management process is a challenging task. It is not a completed task, as we speak today, but it is something on which, by any measure, we have made very substantial progress. I would stand ready to respond to any particular issues that anybody had in relation to it. It was, without question, the most cost-effective, most efficient choice that we could have made to deliver those services and it has been done extremely cost effectively with high levels of security and certainty.

The Hon. MICK VEITCH: What is the tenure of your contract? Is it three years?

Mr PATERSON: Three years with rights of plus one, plus one at the end, so it could be up to a five-year contract, but it is a three-year contract initially, and we—

The Hon. MICK VEITCH: Commencing with the December 2012—

Mr PATERSON: That is when we went live. The contract was signed in July 2012, so it is three from July 2012.

The Hon. MICK VEITCH: Are you able to tell us what the annual instalments are for that contract?

Mr PATERSON: We will come back to you on notice with the precise terms of what we anticipate it will cost us each year. The numbers I have straight off the top of my head include our operating costs as well as what we pay SAP, so to be precise in respect of the question that you have asked, I will come back on those.

The Hon. MICK VEITCH: Is it on budget for the financial year 2012?

Mr PATERSON: Stage 1 was delivered on time and on budget.

The Hon. MICK VEITCH: So there are no overruns?

Mr PATERSON: Not in relation to the delivery of stage 1. It is being done in three stages. We are rolling out to the cultural institutions as part of stage 2, that is the Art Gallery, the Museum, the State Library, and the Powerhouse and I think we are going live with them in October. Stage 3 is to have it delivered for the implementation of Local Land Services, which commences on 1 January 2014, so I cannot comment explicitly in relation to those two because we are not yet at the implementation and go-live position in relation to either of those, but Local Land Services is a combination of all of the Catchment Management Authorities, all the Livestock Health and Pest Authorities and the extension services from the Department of Primary Industries, and we will deliver that on the Enterprise Resource Planning [ERP] platform from 1 January next year.

Mr ANDREW STONER: Madam Chair, is it possible to request a brief adjournment for a comfort stop?

The Hon. PENNY SHARPE: We do not mind, as long as we do not lose any time.

The Hon. NIALL BLAIR: That is a given.

Mr ANDREW STONER: Thank you.

CHAIR: It will not interrupt the allocation of time. We will take a brief adjournment for five minutes.

(Short adjournment)

The Hon. MICK VEITCH: Minister, one last question concerning SAP by design. Are you apprised regularly on the implementation of the cloud-based—

Mr ANDREW STONER: On an exception basis I am advised about progress on it. I personally visited Orange to congratulate the staff involved when it went live. As I say, on an exception basis, I am told whether the progress is as intended. To my knowledge it is.

The Hon. MICK VEITCH: Okay.

Mr ANDREW STONER: Just before we go to the next question, I indicated before I had some documents but could not find them, that is the information concerning the guidelines for resources for regions for the expression of interest. We undertook to provide that on notice. Also, we have got the documents that went out to the councils for the call for expressions of interest from Local Government NSW. If I am able to, I table those.

The Hon. MICK VEITCH: That would be good. Thank you. Minister, am I correct in saying that the Premier has directed that there will be a 30-day mandated period for departments to make bill payments?

Mr PATERSON: Yes, there is a 30-day requirement in relation to payment for small businesses.

The Hon. MICK VEITCH: That is reported quarterly on the finance services website?

Mr PATERSON: That is correct.

The Hon. MICK VEITCH: Has your department or any of its agencies had issues with payment of bills to companies within that mandated period?

Mr PATERSON: Our performance, as I recall it from the quarterly reports, is that in excess of 90 per cent of invoices are paid within the required time once an appropriately constructed invoice has been received.

The Hon. MICK VEITCH: Have there been any instances of a company raising concerns about non-payment within 30 days? If that happens, what process does the department have to flag that displeasure?

Mr PATERSON: We do not follow a process per se. It would depend on where it came from. There is ample opportunity. Our processing centre at Orange has a help desk that deals with external issues like that. If an individual company does not believe we are fulfilling our commitment then there is an opportunity to raise it through that centre and the issue will be investigated. One of the issues that arose as part of the transition to the new enterprise resource planning process is that the system requires purchase orders to be part and parcel of an approval mechanism inside the Business ByDesign solution. If a purchase order has not been issued then the business will not be able to submit an appropriately compliant invoice. We have had to work through some of those issues when people have submitted invoices without reference to the appropriate purchase order. We have had to ensure that those submitting invoices identify the nature of the purchase or the service or goods provided and the purchase order that was issued.

The Hon. MICK VEITCH: I refer to the Blayney to Demondrille railway line. Is your department offering any attractions or sweeteners to companies that might take on the operation of that line?

Mr ANDREW STONER: That issue has been raised with me, I think during a community Cabinet meeting in Bathurst last year. I think I referred the person who raised it to the Minister for Transport. To my knowledge we have not had an approach for financial support under the relevant program, which is the Regional Industries Investment Fund. I will have to double check that, but nothing has come across my desk.

The Hon. MICK VEITCH: I am happy for you to take the question on notice.

Mr PATERSON: To the best of my knowledge, we have not received any formal application. It would be assessed under the guidelines of the program to which the Deputy Premier referred if we did receive one.

The Hon. MICK VEITCH: Have you met with an organisation called the China Rail 15 Bureau Group Corporation at any stage?

Mr ANDREW STONER: Not to my knowledge. I think I met with something called the China Railway Engineering Corporation, but not China Rail 15.

The Hon. MICK VEITCH: There is another organisation—it might be the same organisation—called the China Railway Construction Corporation.

Mr ANDREW STONER: There seem to be many iterations of China Rail. It is all very mysterious. To the best of my recollection, I have not met with either of those organisations.

The Hon. MICK VEITCH: Has either been provided with any assistance by Trade and Investment NSW to establish a presence in Sydney?

Mr PATERSON: The department has met with the China Rail 15 Bureau Group Corporation. As you are aware, we have two offices in China, one in Shanghai and one in Guangzhou. My recollection is that our Shanghai office has been involved in discussions with the company. Staff from our Investment and Export Services group have also met with the China Rail 15 Bureau Group and encouraged its participation in tenders issued for the North West Rail Link project and other potential infrastructure proposals. We do not run the tender processes for any of those projects, but we have certainly encouraged new entrants in this market to examine rail infrastructure opportunities and other infrastructure proposals and to participate. We have provided facilitation assistance and made people aware of opportunities. As we do for a range of companies, we have provided guidance and assistance with the procurement processes adopted by the New South Wales public sector.

The Hon. MICK VEITCH: I draw your attention to the expedited process for the disposal of Crown lands. We heard during last week's estimates committee hearings that Fisheries NSW is assessing Crown laneways that lead to waterways. Does your department pay for that?

Mr ANDREW STONER: I will take that question on notice. Not to my knowledge, but we will have to confirm that.

Mr PATERSON: No.

The Hon. MICK VEITCH: Are there no internal billing arrangements?

Mr PATERSON: Fisheries NSW is part of the department. We do not have internal charging arrangements and we try to find the most efficient way of dealing with issues up front.

The Hon. MICK VEITCH: Can you rule out the sale of any Crown land assets as part of the Crown land review?

Mr ANDREW STONER: No, I cannot. The review recommendations have not yet gone to Cabinet. I understand they are being finalised as we speak. There is a lot of Crown land across the State; in fact, something like 45 per cent or more of the State is Crown land, and a lot of that is Western Division land. There are all sorts of different categories, which is why we have undertaken the review. Frankly, the State Government should not be involved in some of that land. Some of it is generating a reasonable return to the taxpayers. However, again, disposal of Crown land happens all the time, for example, through the Crown roads enclosures program. Many of those roads are historical paper roads in the middle of private property. Unless there is good reason to keep them open, we are happy to sell them to the property owners to enable them to consolidate their land. It is impossible to rule out the sale of Crown land because there is so much of it and so many different categories, and it happens all the time.

The Hon. MICK VEITCH: Can you rule out selling the Crown land occupied by caravan parks?

Mr ANDREW STONER: We do not have any particular plans in that regard. However, we will examine the review recommendations and respond in due course.

The Hon. MICK VEITCH: Can you rule out shifting Crown land responsibilities back to local councils?

Mr ANDREW STONER: I do not have the review recommendations in front of me, so it is hard to rule it out. However, to this point that has not been on the Government's agenda. A great deal of Crown land is currently managed by local councils as the reserve trust manager. In fact, some councils see it as an opportunity

to boost their revenue. We will examine the review recommendations and move forward from there. However, the Government does not have any policy agenda to make local councils responsible for Crown lands.

The Hon. MICK VEITCH: Has the department provided any financial assistance to Crown land trusts to mitigate beach erosion, particularly on the North Coast, although it happens all along the coast?

Mr ANDREW STONER: The Public Reserve Management Fund [PRMF] provides funding for maintenance of public reserves, and applications for assistance with erosion mitigation can be lodged. However, there is no specific policy relating to the fund providing assistance with regard to coastal erosion across the board. It would be a case of individual reserve trust managers applying to the fund. Crown lands are not specifically funded through the State budget to deal with coastal erosion per se.

The Hon. MICK VEITCH: What funds are currently available in the Public Reserves Management Fund?

Mr ANDREW STONER: I will defer to Ms Brooks to answer that.

Ms BROOKS: Are you talking about the total quantum of funds held in the Public Reserves Management Fund?

The Hon. MICK VEITCH: Yes.

Ms BROOKS: I am not sure if I have that.

The Hon. MICK VEITCH: You can take it on notice.

Ms BROOKS: I might need to take that one on notice unless I can quickly find it. I think I will have to take that one on notice.

The Hon. MICK VEITCH: Minister, how many dredging works were conducted in the rivers, estuaries, lakes and harbours under the 2011-12 budget?

Mr ANDREW STONER: I will have to seek advice on that one as well.

Ms BROOKS: Again if you are asking for the number of dredging works, certainly the coastal infrastructure program, which is funded by the Government to undertake upgrade works to coastal infrastructure, includes some dredging works but I will have to take on notice exactly what is funded.

The Hon. MICK VEITCH: That was for 2011-12. If you do take that question on notice could you also get it for 2012-13?

Mr ANDREW STONER: I am advised that we have committed \$3 million over two years for something called Rescuing our Waterways. We have already made funding offers of up to \$1.6 million to assist local councils undertake dredging in Wallis Lake, Lake Cathie and the lower Myall River in the eastern or shortcut channel. The coastal infrastructure program provides 100 per cent funding for dredging to maintain navigation access to government-owned maritime infrastructure. Some \$2 million has been allocated over the next two years for dredging in entrances such as the Clyde, Bermagui and Clarence rivers, Batemans Bay, Coffs Harbour, Ulladulla and Ballina boat harbours, as well as the Hastings River navigation channel adjacent to the Port Macquarie commercial moorings. So that is a bit of information. There are a couple of programs there; a total of \$5 million over two years addressing a number of dredging issues.

The Hon. MICK VEITCH: Are you aware of the report of the Economic Development and Infrastructure Committee of the Victorian Parliament following its inquiry into local economic development initiatives in Victoria?

Mr ANDREW STONER: No, I have not seen that.

The Hon. MICK VEITCH: That report contains a recommendation about the ongoing funding for essentially the Victorian version of the Country and Regional Living Expo. Can you guarantee that the Country and Regional Living Expo in New South Wales will continue to be funded under your Government?

Mr ANDREW STONER: I cannot guarantee that anything is going to continue to be funded because we have a budget process year to year. What I can say is that regional development and decentralisation is a priority of the Government. The broad suite of our funding programs for those objectives has been reviewed by the decentralisation task force, the recommendations of which the Government is currently considering.

The Hon. MICK VEITCH: So you cannot guarantee beyond this year the funding of the Country and Regional Living Expo; it is just a part of the mix?

Mr SCOT MacDONALD: Point of order: My point of order is standing order 65. We are getting into hypothetical matters. The Minister has been pretty clear.

The Hon. MICK VEITCH: To the point of order: You would have to admit it is a much better question than some of the Dorothy Dixers you asked last week.

CHAIR: That comment is not relevant to the point of order. The Minister has answered, but this line of questioning is moving towards the hypothetical.

Mr ANDREW STONER: Can I say that we have supported the Country and Regional Living Expo in the past financial years. The ongoing support would be subject to the Foundation for Regional Development meeting benchmarks established by the Government. We have no particular plans to stop funding it but our budgetary situation—and this would apply to any program of government—has to be reviewed year to year as to whether it is essential, whether the taxpayer can afford it and whether it is delivering the objectives that the Government wants to see. But there are no plans to stop funding it, if that is what you are getting at.

The Hon. STEVE WHAN: What is the current status of negotiations with the ACT Government over the cross border agreement to better utilise Queanbeyan hospital?

Mr TOMS: My understanding is, there is that agreement and there is certainly progress in place. The detail of that agreement is between the two respective health services. It is not a particular focus of mine in the sense that the range of issues that I deal with is such that it is impossible for me to get into too much detail at that level, particularly where there are systems up and running and working. I see my role in those sort of issues as there is a reasonable level of facilitation happening, and I believe there are some very good and positive things happening.

The Hon. STEVE WHAN: As I understand it from your previous reports, you were engaged in that process in the early period. At what stage did you leave that up to the departments?

Mr TOMS: The process was already in place before I started as such.

The Hon. STEVE WHAN: It was actually in place under the previous Government. What is your ongoing role in those sorts of things?

Mr TOMS: I see my role as picking things up if people are reporting major issues. At this stage the information that I get, which is not massively detailed, is that the system does seem to be working and progressing in a positive and cooperative direction.

The Hon. STEVE WHAN: Could you give us the top five of the key issues that you are dealing with at the moment as they relate to our cross borders with all three States or Territories that you deal with?

Mr TOMS: I guess a key one that has been under focus over a long period of time is the difference in time zones between Queensland and New South Wales. There is a whole range of other issues that I am dealing with; that is one that is currently underway. Some examples have been the issues that Tweed taxis face in terms of having traditional access to the Coolangatta market and having lost that, and the need to integrate public bus services between the Gold Coast and the northern rivers, particularly the Tweed area, which is in talks with Transport for NSW—some positive things are happening. Also associated with that is bus driver authorities, issues around police authority, matters that have come before me and as part of discussion with police, there are certainly things initiated now, particularly between the Queensland and New South Wales police authorities, police services. There is a development happening around Cobaki Lakes, basically between Queensland and

New South Wales, within New South Wales that needs some facilitation with Queensland. Those are some examples of the sorts of things I am working on.

The Hon. JEREMY BUCKINGHAM: Who said this, "City Greens love wind farms but country people have to live with them."

The Hon. NIALL BLAIR: Point of order—

Mr ANDREW STONER: That would probably have been me.

The Hon. JEREMY BUCKINGHAM: That was you.

Mr ANDREW STONER: I am just taking a shot in the dark. You tell me, you have got the quote there.

The Hon. JEREMY BUCKINGHAM: You are correct, it was you. To within \$2 billion or \$3 billion can you tell me the value of a wind farm investment that is currently before the Department of Planning and Infrastructure?

Mr ANDREW STONER: That would be a question for the Department of Planning and Infrastructure and the planning Minister.

The Hon. JEREMY BUCKINGHAM: It is question about investment in wind farms.

Mr ANDREW STONER: If anyone knows about wind it would be you; you are full of it.

The Hon. NIALL BLAIR: Point of order: Just because the member uses the word "investment" before every other portfolio does not make it relevant to this Minister.

The Hon. JEREMY BUCKINGHAM: Yes, it does.

The Hon. NIALL BLAIR: The question, as the Minister has clearly answered, should be directed to the Minister for Planning and Infrastructure. As I said, using the term "investment" or the term "trade" does not make it relevant to this Minister.

The Hon. JEREMY BUCKINGHAM: To the point of order: The question did not relate to the Department of Planning and Infrastructure, it was about the value of investment in wind farms in New South Wales.

CHAIR: I uphold the point of order. It is a matter for the Department of Planning and Infrastructure. If the Minister would like to comment he can, otherwise it is outside the portfolio.

Mr ANDREW STONER: The member did refer specifically to applications before the Department of Planning and Infrastructure so I will leave it at that. I would like to provide some further information in relation to one of the member's other questions about the regional clinical school or medical school.

The Hon. JEREMY BUCKINGHAM: Point of order: I did not ask that. We have moved on. He can table his answer.

Mr ANDREW STONER: So you do not want the information?

The Hon. JEREMY BUCKINGHAM: You can table your answer.

CHAIR: The Minister can table the response.

The Hon. JEREMY BUCKINGHAM: What is the value of wind farm investment currently proposed in New South Wales?

CHAIR: The Hon. Jeremy Buckingham has been told that the questions in relation to wind farm values are a matter for the Department of Planning. You can rephrase your question but in relation to wind farms and planning—

The Hon. STEVE WHAN: Point of order: The questions about the planning process for things that are in train might be questions for the Department of Planning and Infrastructure but for the Department of Trade and Investment, Regional Infrastructure and Services, I would have thought the value of investments in New South Wales was directly relevant and the Minister could choose to answer it or not as he saw fit.

CHAIR: The question related to wind farms and planning.

The Hon. JEREMY BUCKINGHAM: To the point of order: No, it did not. In my question there was no mention of planning. I simply asked the value of wind farm investment proposed in New South Wales.

Mr ANDREW STONER: I will get that information for you on notice.

The Hon. JEREMY BUCKINGHAM: Can you answer that, within two or three billion dollars? Have a guess.

CHAIR: The Minister has answered the question.

Mr ANDREW STONER: I said I would get the information on notice. We have a system of government that has portfolios, with Ministers responsible, under the administrative orders, for issues and items within those portfolios. In this case the Minister for Resources and Energy—energy includes wind farms—and—

The Hon. JEREMY BUCKINGHAM: Investment: \$10 billion and tens of thousands of jobs—

The Hon. NIALL BLAIR: Point of order: The member has asked the Minister a question. The Minister is cooperating and answering the question, and has volunteered to take the question on notice. The member continues to interrupt and verbal the Minister while he is trying to conclude his answer. I ask that you call him to order.

CHAIR: I uphold the point of order and ask the Hon. Jeremy Buckingham to move on to his next question.

The Hon. JEREMY BUCKINGHAM: Minister, what is the New South Wales Government's position on a domestic gas reservation policy?

Mr ANDREW STONER: Again, that is a question that ought to be directed to the Minister for Resources and Energy.

The Hon. JEREMY BUCKINGHAM: So you do not think that the domestic gas reservation policy is covered by the Government's—

Mr SCOT MacDONALD: Point of order: I had the good fortune to sit in on General Purpose Standing Committee No. 5, where similar questions were asked of the Minister for Energy. So, it is clearly outside this Minister's portfolio.

CHAIR: The Minister has answered that: It is outside his portfolio. I ask that the Hon. Jeremy Buckingham move to his next question.

The Hon. JEREMY BUCKINGHAM: Minister, are you aware of Manufacturing Australia's position that up to 200,000 jobs will be lost in manufacturing by 2020 if they are not able to secure long-term affordable supplies of gas? What is your response to that?

Mr ANDREW STONER: My response to that would be that the issue relating to security of gas supplies and jobs in New South Wales is mostly the responsibility of The Greens party and their scare campaign in relation to coal seam gas. Are you now proposing that coal seam gas resources be developed? Are you proposing that?

The Hon. JEREMY BUCKINGHAM: No, my proposal is for a domestic gas reservation policy for conventional gas.

Mr ANDREW STONER: You and your political party have been out there scaring people witless about domestic gas supplies in New South Wales. Yes, industry desperately needs security of gas supplies, going forward.

The Hon. JEREMY BUCKINGHAM: So, what is your answer to it?

Mr ANDREW STONER: I am aware that it is not only manufacturing that needs access to gas supplies. It is households and businesses right across the economy. If you are talking about issues of security of gas supplies and the impact of that on the New South Wales economy going forward you ought to have a good, close look at yourself.

The Hon. JEREMY BUCKINGHAM: What is your policy position on it? What are you doing, as a Government to ensure those supplies to manufacturing and residential users?

Mr ANDREW STONER: I can tell you what you have done. You, and your political party—with your stunts—have set back the development of domestic gas supplies in New South Wales. There have been illegal activities carried out by some with whom your party is associated. That has set back the production of gas in New South Wales by a long way. However, in relation to the issue, we have put forward a very comprehensive suite of policies known generally as the Strategic Regional Land Use Policy—Planning. This is to address the concerns—

The Hon. JEREMY BUCKINGHAM: Now you are talking about planning. Now, you are talking about gas. You would not talk about them before.

Mr ANDREW STONER: No, I am talking about—

Mr SCOT MacDONALD: Point of order: Can the Minister be allowed to answer the question? There have been constant interjections.

CHAIR: I uphold the point of order.

Mr ANDREW STONER: What the government has done—

The Hon. JEREMY BUCKINGHAM: He would not answer planning questions before.

CHAIR: The Hon. Jeremy Buckingham will come to order and allow the Minister to answer the question that he put to him.

Mr ANDREW STONER: What the Government has done is put forward a very rigorous regulatory regime which, through a variety of means, would allow the safe and sustainable extraction of the State's gas resources—including through an agricultural impact statement, an aquifer interference regulation, the appointment of the State's first Land and Water Commissioner, the increase in compliance resources and the increase in penalties for breaches of conditions relating to gas exploration licences and productions. It goes on and on and on. If you want a full briefing on all of those policies I am happy to arrange it for you.

The Hon. JEREMY BUCKINGHAM: Thank you, Minister. Do you support, in your terms, a "safe and sustainable" coal seam gas industry in the Northern Rivers region of New South Wales?

The Hon. NIALL BLAIR: The Minister can choose to answer the question if wants—

CHAIR: The Hon. Jeremy Buckingham will come to order.

The Hon. NIALL BLAIR: Point of order: The Minister, I thought, when this line of questioning started, clearly stated that those issues relating to the specifics about the gas supply in New South Wales and the development of that industry should be directed to the Minister for Energy and Resources.

CHAIR: I uphold the point of order. I also remind the Hon. Jeremy Buckingham not to canvass the Minister's personal opinion in his questions.

The Hon. JEREMY BUCKINGHAM: Minister, why is the Department of Trade and Investment seeking court costs against the Fullerton Cove Residents Action Group?

Mr SCOT MacDONALD: Point of order: Is that matter before the courts? Is it sub judice?

CHAIR: I do not know if it is before the courts. I would have to seek clarity.

The Hon. STEVE WHAN: On the point of order: I think the Minister and his advisors would know where it is up to. He can indicate if he is not able to answer the question.

Mr ANDREW STONER: Again, this seems to be being handled within the Office of Resources and Energy, with possible involvement from the Crown Solicitor. We would have to seek advice and responses on notice.

The Hon. JEREMY BUCKINGHAM: Are you saying that it is not your department that is seeking those court costs?

Mr ANDREW STONER: It is not within my immediate responsibility.

The Hon. JEREMY BUCKINGHAM: Have you ever said that you were going to tear up the Native Vegetation Act and Threatened Species Conservation Act?

Mr ANDREW STONER: I may have, a long time ago.

The Hon. JEREMY BUCKINGHAM: When are you planning on tearing up the Native Vegetation Act and the Threatened Species Conservation Act?

Mr ANDREW STONER: We have announced a comprehensive review of the Native Vegetation Act and Threatened Species Conservation Act. I might add that this is a responsibility of the Minister for the Environment, not me. However, her process will involve extensive consultations with all the stakeholders. I have nothing to do with that, personally. My comments earlier will have no bearing on the outcome of that review.

The Hon. JEREMY BUCKINGHAM: You just said you had nothing to do with that personally. Were you not the person who announced that review?

Mr ANDREW STONER: It was good news to the good members of The National. I was the first to deliver it to them.

The Hon. JEREMY BUCKINGHAM: You just said that you had nothing to do with it personally. Clearly, that is a personal involvement, is it not?

Mr ANDREW STONER: What I said, Mr Buckingham is that I will have no personal involvement in the review of those pieces of legislation. I have been advised that those Acts, and some of the regulations arising therefrom, have been counterproductive in terms of conservation outcomes, not to mention productivity of farms. So it is time that they were reviewed. They were introduced under quite a lot of controversy. That said, the people you represent will be extensively consulted as part of the review driven by the Minister for the Environment, not me.

The Hon. JEREMY BUCKINGHAM: Minister, you said in February on ABC *News*:

I wouldn't want a CSG well five metres from my property. It's going to affect my property value a hell of a lot. Nobody is going to want to buy that value, ah that piece of land rather, um, and there's always the potential for something to go wrong, so I understand why people are concerned.

In light of this will the Government be compensating residents of Western Sydney, Gloucester and other coal seam gas zones whose property values are negatively impacted by coal seam gas?

Mr ANDREW STONER: The Government has introduced a two-kilometre buffer zone around residential areas for coal seam gas drilling, both exploration and production. So I think that answers the question.

The Hon. JEREMY BUCKINGHAM: Where are those buffer zones to apply? Are they to apply to rural residential areas?

Mr ANDREW STONER: I understand that those details are still being finalised.

The Hon. JEREMY BUCKINGHAM: So those exclusion zones may apply to rural and residential areas?

Mr ANDREW STONER: They may. Those details are being finalised. I can guarantee you this: There will not be a gas well within five metres of anyone's boundary. So your whole line of questioning is redundant.

The Hon. STEVE WHAN: Do you mean boundary or home?

The Hon. JEREMY BUCKINGHAM: Do you mean boundary or home, Minister? Do you mean that there will not be a gas well within five metres of someone's boundary or someone's home? Can you clarify that?

Mr ANDREW STONER: What did I say?

The Hon. JEREMY BUCKINGHAM: You just said that there will not be a gas well within five metres of someone's boundary.

Mr ANDREW STONER: What did I say on the ABC that you quoted back to me? You seem to listen to every word that I have ever said. You are the authority on what I said to the ABC. All I am saying is that that situation will not arise.

CHAIR: Order! The time for questioning from The Greens has expired.

The Hon. PAUL GREEN: Minister, you have mentioned that there are lots of categories of Crown lands. Do you know how many Aboriginal land claims are over Crown lands that are under the zone of industrial? Do we have any idea?

Mr PATERSON: We do not have that number. I know the number of outstanding claims, but they are outstanding claims because there is a significant backlog in relation to their consideration. So even taking it on notice we would be unable to answer.

The Hon. PAUL GREEN: There are about 28,000, I think.

Mr PATERSON: There are 26,500 outstanding claims. I do not believe that we would be able to answer that question even on notice, because that would require a detailed examination of every one of those claims to ascertain whether they fall into the industrial or otherwise. So I would not even take that question on notice.

The Hon. PAUL GREEN: That is okay, you do not need to take it on notice. We will go further with that issue now. My point is: What is the Government doing to speed up the outcomes on these particular strategic lands, which are basically in local government areas and which they are trying to build investment on?

Mr ANDREW STONER: As the director general said, there are around 26,000—

The Hon. PAUL GREEN: And that is down from 28,000; you must be getting through them.

Mr ANDREW STONER: —claims that are yet to be investigated. We have established an Aboriginal Land Claims unit in the Dubbo business centre. That is tasked with, hopefully, working through all of these claims. We are developing as we speak some new processes to streamline the assessment of the claims, and this new Dubbo unit will follow that streamlined process. We have also undertaken a pilot project with the Bahtabah Local Aboriginal Land Council over the past 12 months to examine a prioritisation process, which has potential

for wider implementation into the future. We are working closely with the New South Wales Aboriginal Land Council and the Office of the Registrar to examine recommendations from the recent review of the Aboriginal Land Rights Act, which does identify further potential efficiencies and improvements in the land claims process. That collaboration will continue with a view to examining other innovative options in reducing that backlog of claims.

The Hon. PAUL GREEN: So there is no specific unit that is for New South Wales strategically dealing with industrial land use?

Mr ANDREW STONER: Not to my knowledge.

The Hon. PAUL GREEN: To quicken at least that process for local government—

Ms BROOKS: The process that we have been working through—for example, with the Bahtabah pilot—has been designed to allow land councils to identify those claims that they see as priorities. That often, but not always, aligns with land that is of greater economic value.

The Hon. PAUL GREEN: Have we stripped away a section called industrial lands, high-priority strategic lands, for New South Wales in local government areas that can be addressed by that sort of initiative—that pilot project—where you can at least give high priority to those issues and work through them? Do we not have that?

Mr ANDREW STONER: Up to this point we have not stripped away industrial lands. But we are working on streamlining processes, which may include doing that.

The Hon. PAUL GREEN: I just thought that in the Trade and Investment portfolio that might be a wise thing to do for local government.

Mr PATERSON: We are certainly trying to work through an identification of an appropriate approach to prioritisation. We do not yet have an agreement. That is what that trial with the Bahtabah Local Land Council is about: trying to model a prioritisation process that would help us bring forward and deal with those that are a significant economic priority. But we do not have agreement on that as yet, and 29,000 new claims have been lodged since 2005. So we are trying both to process a very significant number of claims and, at the same time, to find a means of prioritisation to deal with them.

The Hon. PAUL GREEN: Hence the reason of trying to prioritise industrial strategic lands so you can generate employment.

Ms BROOKS: It is important to note though that the land councils are the ones that actually lodged the claims, and so the process of prioritisation needs to involve the land councils.

The Hon. PAUL GREEN: I totally agree. But more to the point is just bringing it to their attention that this has some interest for the greater good of communities so they can obviously negotiate what their position is. Mr Toms, have you met with the Wentworth Shire Council in south-western New South Wales and have you been assisting those communities to access Victorian health services?

Mr TOMS: Yes, I have met with them as part of the listening tour. I have also had some discussions with some councillors from Wentworth.

The Hon. PAUL GREEN: What are you hearing from the Wentworth area on those listening tours?

Mr TOMS: They are certainly interested in being able to access services across the border, in Mildura, and the importance of being able to access some health services is certainly part of that.

The Hon. PAUL GREEN: Are there any issues there that are insurmountable in sharing those services across borders?

Mr TOMS: No, I do not believe so.

The Hon. PAUL GREEN: Minister, I note that in 2011-12 the New South Wales construction sector was estimated to be worth about \$22.4 billion or 5.3 per cent of gross value added for New South Wales. Can you comment on whether the national economic slowdown has affected the building and construction investment in New South Wales at this current time? If so, by how much?

Mr ANDREW STONER: Certainly the level of construction activity in New South Wales has slowed over recent years. On coming to office, the Government found the situation in New South Wales was not good. That is why this Government has undertaken a range of measures delivered through subsequent budgets. First is the targeting of the first home owners assistance to newly-constructed dwellings. Secondly, the funding of a new program called the Housing Acceleration Fund to connect essential infrastructure to potential subdivisions to bring on line available land and produce more housing.

The most recent commentary around the housing and construction sector in New South Wales has been positive. There was a recent by BIS Shrapnel report that pointed towards what they said would be a housing-led recovery of the New South Wales economy and that that would in turn contribute to the national economy, because the New South Wales economy is so large. So it looks as though some of the policy measures, backed by funding, that we have undertaken are delivering some positive results in the housing and construction sector in New South Wales.

The Hon. PAUL GREEN: Do you have a percentage breakdown in the construction industry of what level is international investment and what level is domestic investment?

Mr ANDREW STONER: We do not. One of the things that we try and do through our network of international officers and our international engagement, including trade missions by the Premier, other Ministers and me, is to promote New South Wales as an investment destination, and that would include investment particularly in the construction sector. Generally at that level we are not talking about investment in housing per se but I know there is quite a lot of interest in investment in real estate coming out of, particularly, China, where there are lots of high-net-worth individuals. They like to get some of their money invested in a favourable investment destination like Australia generally, and particularly New South Wales, and they like bricks and mortar. My agency does not undertake a breakdown of foreign versus domestic investment in that sector.

The Hon. PAUL GREEN: What role is the recent weakening of the Australian dollar playing in that investment?

Mr ANDREW STONER: Before I come to your question, the Director General has reminded me of one a specific meeting I had in the UAE with a group called Pro-Invest, which, as a result of that meeting, announced a \$150-million fund for investing in the construction of new hotels, motels, in New South Wales, including regional New South Wales, which is good and an example of the sort of promotion of foreign investment that we undertake in that space. Sorry, what was your last question?

The Hon. PAUL GREEN: I will go quickly to another question rather than get into that issue because I think it has been addressed. Are any further payroll tax rebates planned to help New South Wales small business? Do you have any data showing the impact that the recent payroll tax recent rebates are having on small business and trade and investment? Are they making it attractive?

Mr ANDREW STONER: That is a good question. We announced in this year's budget the increase in the threshold for payroll tax to, I think, \$750,000, which excludes thousands of additional businesses from paying payroll tax at all. That has been welcomed very positively. We also announced an increase in the actual rebate: It will now be a \$5,000 rebate for each additional employee employed over a two-year period. The commitment in relation to the Jobs Action Plan, which is the payroll rebate program, applies to our first term of office and it is similar to a response that I gave in relation to Resources for Regions. It was a pre-election commitment; it applied for our first term. We will reconsider the impact of that policy, that program, ahead of the next term, hopefully, of government.

The Hon. PAUL GREEN: Do you have any evidence or data saying that it has had an impact? Has it worked for good?

Mr ANDREW STONER: The general data, the last figure that I saw, was that in New South Wales 130,000 jobs have been created since we came to office—in fact, in terms of employment growth, New South Wales has gone from the bottom of the league table of Australian States and Territories to now the top of the

league table. In fact, I think just last week the ANZ chief economist was talking about an economic recovery for Australia being led by New South Wales. So the signs are that the payroll tax rebates are having a very positive impact on our economy, specifically those small and medium enterprises [SMEs] that have to pay payroll tax.

The Hon. PAUL GREEN: Do you have any involvement in forwarding the very fast train concept?

Mr ANDREW STONER: Again, I think the high-speed rail concept is great. When you get down to the cost of the infrastructure, there is the land acquisition, there is the actual hardware—the stations, the track and the trains—it is a very expensive proposition. I think it has to be led by the Federal Government to make it viable. It would need to connect cities probably on the eastern seaboard—Brisbane, Sydney, Melbourne and possibly Canberra—and I think the issue, given the level of capital investment required, is the return on the investment. You would need a lot of people travelling on a train like that over a long, long period of time. Frankly, whilst they might work in China, where you have very high volume, or Japan or France, we do not quite have the population to enable that return on investment. So unless the Federal Government is going to stump up the capital investment and say, "We will then let the private sector run it just on the fares", I cannot see it happening. Personally, I would love it—more options for travel and great decentralisation enabled through that infrastructure.

CHAIR: Unfortunately, time for questions has expired. On behalf of the Committee, I thank the Minister and his officials for attending today's hearing.

(The witnesses withdrew)

The Committee proceeded to deliberate.
