

General Purpose Standing Committee No. 1

# **Budget Estimates 2010 - 2011**

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The Director

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## Terms of reference

1. That upon tabling, the Budget Estimates and related papers for the financial year 2010-2011 presenting the amounts to be appropriated from the Consolidated Fund be referred to the General Purpose Standing Committees for inquiry and report.
2. That the committees consider the Budget Estimates in accordance with the allocation of portfolios to the committees.
3. That the initial hearings be scheduled as follows:

### Day One: Monday 13 September 2010

GPSC1	Tourism, Hunter, Science & Medical Research, Women	9.15 am – 1.00 pm
GPSC2	Health	9.15 am – 1.00 pm
GPSC2	Ageing, Disability Services, Volunteering, Youth	2.00 pm – 6.00 pm
GPSC1	Ports and Waterways, Illawarra	2.00 pm – 4.00 pm
GPSC1	Mineral & Forest Resources	4.15 pm – 6.00 pm

### Day Two: Tuesday 14 September 2010

GPSC1	Treasury, Special Minister of State, State Development & Regional Development	9.15 am – 1.00 pm
GPSC3	Local Government, Juvenile Justice, Mental Health	9.15 am – 1.00 pm
GPSC1	Premier, Redfern Waterloo	2.00 pm – 6.00 pm
GPSC3	Attorney General, Regulatory Reform, Citizenship	2.00 pm – 4.30 pm
GPSC3	The Legislature	4.45 pm – 6.00 pm

### Day Three: Wednesday 15 September 2010

GPSC2	Education and Training	9.15 am – 1.00 pm
GPSC4	Fair Trading, Arts	9.15 am – 11.00 am
GPSC4	Housing, Small Business, Veteran's Affairs	11.15 am – 1.00 pm
GPSC2	Community Services, State Plan	2.00 pm – 6.00 pm
GPSC4	Planning, Infrastructure, Lands	2.00 pm – 6.00 pm

### Day Four: Thursday 16 September 2010

GPSC4	Transport, Central Coast	9.15 am – 1.00 pm
GPSC5	Industrial Relations, Commerce, Energy Public Sector Reform, Aboriginal Affairs	9.15 am – 1.00 pm
GPSC4	Roads, Western Sydney	2.00 pm – 6.00 pm
GPSC5	Water, Corrective Services	2.00 pm – 6.00 pm

**Day Five: Friday 17 September 2010**

GPSC3	Police, Finance	9.15 am – 1.00 pm
GPSC5	Climate Change & Environment, Cancer	9.15 am – 1.00 pm
GPSC3	Gaming & Racing, Sport & Recreation, Major Events	2.00 pm – 6.00 pm
GPSC5	Primary Industries, Emergency Services, Rural Affairs	2.00 pm – 6.00 pm

4. That an initial round of supplementary hearings be scheduled as follows:

**Day One: Monday 15 November 2010**

GPSC 1  
GPSC 2

**Day Two: Tuesday 16 November 2010**

GPSC 1  
GPSC 3

**Day Three: Wednesday 17 November 2010**

GPSC 4  
GPSC 2

**Day Four: Thursday 18 November 2010**

GPSC 4  
GPSC 5

**Day Five: Friday 19 November 2010**

GPSC 5  
GPSC 3

5. That the committees may hold additional supplementary hearings after 19 November 2010 as required.
6. That each scheduled day for the initial round of hearings will begin at 9.15 am and conclude by 6.00 pm.
7. The committees must hear evidence in public.
8. The committees may ask for explanations from Ministers in the House, or officers of departments, statutory bodies or corporations, relating to the items of proposed expenditure.
9. There is no provision under this resolution for a Minister or officer of a Department to make an opening statement before the committee commences questions.
10. A daily Hansard record is to be published as soon as practicable after each day's proceedings.
11. The committees are to present a final report to the House by the last sitting day of the first sitting week in March 2011.

12. Members may lodge questions on notice with the Clerk to the committee during a Budget Estimates hearing and up to two days following.
13. All answers to questions taken on notice during the hearing, and questions on notice lodged up to two days following the hearing, must be provided within 21 days, or as otherwise determined by the committee.

The terms of reference were referred to the Committee by the House on 24 November 2009, see *LC Minutes* (24/11/2009) 1536-1537, Item 12; amended *LC Minutes* (2/12/2009) 1601-1602, Item 8; amended *LC Minutes* (1/09/2010) 2001-2002, Item 4; amended *LC Minutes* (8/09/2010) 2036, Item 16.

## Committee membership

<b>Rev the Hon Fred Nile MLC</b>	Christian Democratic Party	<i>(Chair)</i>
<b>The Hon Kayee Griffin MLC</b>	Australian Labor Party	<i>(Deputy Chair)</i>
<b>The Hon Luke Foley MLC</b>	Australian Labor Party	
<b>Dr John Kaye MLC</b>	The Greens	
<b>The Hon Matthew Mason-Cox MLC</b>	Liberal Party	
<b>The Hon Melinda Pavey MLC</b>	The Nationals	
<b>The Hon Ian West MLC</b>	Australian Labor Party	

## Non-substantive members who attended the hearings

<b>Mr Ian Cohen MLC</b>	The Greens	
<b>The Hon Sophie Cotsis MLC</b>	Australian Labor Party	
<b>The Hon Catherine Cusack MLC</b>	Liberal Party	
<b>Ms Cate Faehrmann MLC</b>	The Greens	
<b>The Hon Michael Gallacher MLC</b>	Liberal Party	
<b>The Hon Duncan Gay MLC</b>	The Nationals	
<b>The Hon Trevor Khan MLC</b>	The Nationals	
<b>The Hon Greg Pearce MLC</b>	Liberal Party	
<b>The Hon Penny Sharpe MLC</b>	Australian Labor Party	
<b>Mr David Shoebridge MLC</b>	The Greens	
<b>The Hon Mick Veitch MLC</b>	Australian Labor Party	

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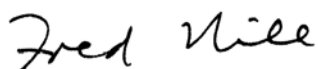


## Chairman's foreword

I am pleased to present this report on the Budget Estimates 2010-2011. This annual Inquiry into the Budget Estimates ensures parliamentary oversight of the Budget, and provides an important mechanism for the accountability of the executive government to the Council.

During the initial round of hearings the Committee held five hearings, receiving fifteen hours of evidence, to examine the portfolio areas of Tourism, Hunter, Science and Medical Research, Women, Ports and Waterways, Illawarra, Mineral and Forest Resources, Treasury, Special Minister of State, State and Regional Development, Premier and Redfern, Waterloo. The Committee subsequently held a supplementary hearing to again examine the Treasury portfolio.

On behalf of the Committee, I would like to thank the Ministers and their officers who assisted the Committee during this important Inquiry. I am grateful to my fellow Committee members for their contributions to the Inquiry process.



Revd the Hon Fred Nile MLC

**Chairman**



# Chapter 1 Introduction

## Referral of the 2010-2011 Budget Estimates

- 1.1 On 24 November 2009, the Legislative Council resolved that ‘the Budget Estimates and related papers for the financial year 2010-2011 presenting the amounts to be appropriated from the Consolidated Fund be referred to the General Purpose Standing Committees for inquiry and report’.<sup>1</sup>
- 1.2 The resolution (hereafter referred to as the Budget Estimates Resolution) requires each committee to examine the Budget Estimates for the relevant portfolios and report to the House by the last sitting day of the first sitting week in March 2011.

## Hearings

- 1.3 The Committee held five hearings as follows:
- Monday 13 September 2010 – Tourism, Hunter, Science and Medical Research and Women
  - Monday 13 September 2010 – Ports and Waterways and Illawarra
  - Monday 13 September 2010 – Mineral and Forest Resources
  - Tuesday 14 September 2010 – Treasury, Special Minister of State and State and Regional Development
  - Tuesday 14 September 2010 – Premier, Redfern and Waterloo.
- 1.4 In addition, the Committee held one supplementary hearing, as follows:
- Monday 15 November 2010 – Treasury.
- 1.5 A brief summary of the key issues raised during the hearings is contained in Chapter 2.

## Transcripts

- 1.6 Transcripts of the hearings are available on the Committee's web page at [www.parliament.nsw.gov.au/gpsc1](http://www.parliament.nsw.gov.au/gpsc1).

## Questions on notice

- 1.7 Questions taken on notice and the answers to these questions are also available on the Committee's web page.

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<sup>1</sup> *LC Minutes* (24/11/2009) 1536-1537, amended *LC Minutes* (2/12/2009) 1600-1601, amended *LC Minutes* (1/9/2010) 2001-2002.



## Chapter 2 Issues raised during hearings

This chapter provides a brief summary by portfolio of the key issues raised during the hearings.

### Tourism, Hunter, Science and Medical Research and Women

**2.1** A hearing to examine the portfolios of Tourism, Hunter, Science and Medical Research and Women was held on Monday 13 September 2010.

**2.2** The following issues were raised in relation to Tourism:

- The activities and meetings of the Major Events Committee
- The role of Tourism NSW in promoting the Vivid Festival
- The outcome of the Deloitte review of the Regional Tourism Partnership Program
- The work of the Passenger Cruise Terminal Committee and the future locations of passenger cruise terminals in Sydney
- Tourism campaigns to promote Sydney overseas, including partnerships with airlines and the three-year partnership with the Queensland Government to promote international visitors to both NSW and Queensland
- Efforts to promote regional tourism in NSW
- Efforts to promote nature tourism and greater tourist numbers in national parks.

**2.3** The following issues were raised in relation to Hunter:

- Public consultation on the scoping study into light rail in Newcastle
- City renewal in Newcastle, including public transport policy
- Progress on the Honeysuckle redevelopment project
- Management of the Newcastle Sports and Entertainment Precinct in Broadmeadow, including investment in Energy Australia Stadium
- Coastal management in and around Newcastle and in particular implementation of the Merewether Beach Reserves Plan of Management
- Development in the Upper Hunter
- The Hunter water strategy and the Tillegra Dam proposal.

**2.4** The following issues were raised in relation to Science and Medical Research:

- Government investment in the Health and Medical Research portfolio, including the appropriations in the budget papers and comparisons with investment by other States
- Funding for health and medical research under the State Government's Science Leveraging Fund and the Federal Government's Centres of Excellence program
- The role and work of the Chief Scientist and the Innovation Council

- Initiatives offered by the NSW Government to encourage young people to take up careers in science
- The operation of the NSW Life Science Research Awards, a program to encourage leading scientists worldwide to relocate to Sydney to undertake research.

**2.5** The following issues were raised in relation to Women:

- Funding for the Office of Women in the 2010-2011 Budget compared to the 2009-2010 Budget
- The location of the Office of Women within the Department of Premier and Cabinet
- Domestic violence statistics and sentencing of offenders by the courts
- Implementation of the NSW Domestic and Family Violence Action Plan, including support for women and children escaping domestic violence and the implementation of a domestic violence website
- Implementation of the Staying Home Leaving Violence strategy, designed to remove violent partners from the home
- Initiatives to promote pay equity including encouraging the representation of women in non-traditional roles
- Promoting women into leadership positions in the NSW public sector
- Combating sexual harassment and bullying in the workplace, both in the public and private sectors.

## **Ports and Waterways and Illawarra**

**2.6** A hearing to examine the portfolios of Ports and Waterways was held on Monday 13 September 2010. The following issues were raised:

- Matters relating to the ICAC finding of corrupt conduct regarding the secondary employment of Tonette Kelly, Acting General Counsel for NSW Maritime, including the funding of Ms Kelly's legal costs
- Development plans for the Berrys Bay and Rose Bay Marinas
- Operation of the Port Botany facility
- New software system for NSW Maritime
- Development in the Illawarra, including proposed road and rail projects.

## **Mineral and Forest Resources**

**2.7** A hearing to examine the portfolio of Mineral and Forest Resources was held on Monday 13 September 2010. The following issues were raised:

- Staffing issues, including the recruitment of Mr Ben Edwards as a departmental liaison officer

- Financial position of Forests NSW
- Hazard reduction strategies
- Mine safety, including compliance, monitoring and training
- Mining exploration, including exploration licences and land rehabilitation activities
- Mining on the Liverpool Plains.

## **Treasury, Special Minister of State and State and Regional Development**

**2.8** A hearing to examine the portfolios of Treasury, Special Minister of State and State and Regional Development was held on Tuesday 14 September 2010.

**2.9** The following issues were raised in relation to Treasury:

- Epping to Parramatta Rail Link
- Electricity privatisation
- Collateral Debt Obligations (CDOs).

**2.10** The following issue was raised in relation to Special Minister of State:

- Building the Education Revolution advertising campaign.

**2.11** The following issues were raised in relation to State and Regional Development:

- NSW defence industry strategy
- Honorary Ambassadors Program.

**2.12** A supplementary hearing to examine the Treasury portfolio was held on Monday 15 November 2010. The following issues were raised:

- NSW Energy Reform Strategy
- Cobbora mine
- Australia Consumer and Competition Commission informal inquiry into bids for AGL and Origin
- Gentrader contracts
- Privatisation of electricity assets
- Solar Bonus Scheme.

## **Premier and Redfern, Waterloo**

**2.13** A hearing to examine the portfolios of Premier and Redfern, Waterloo was held on Tuesday 14 September 2010.

**2.14** The following issues were raised in relation to Premier:

- Comments by the NSW Ombudsman concerning the openness and integrity of the NSW Government
- Impact of recent ministerial portfolio changes
- The Premier's disclosure obligations regarding her husband's employment with Better Place Australia
- Funds remaining in the Aboriginal Trust Fund
- Staffing numbers in the Premier's Office
- The redevelopment of Barrangaroo
- Renewable energy targets in the NSW State Plan.

**2.15** The following issues were raised in relation to Redfern, Waterloo:

- Affordable housing strategy for the Redfern Waterloo area
- Timetable for the development of the Block, including the Pemulway Project.



## Appendix 1 Witnesses at hearings

### 1. Tourism, Hunter, Science and Medical Research and Women – Monday 13 September 2010

Name	Position and Organisation
The Hon Jodi McKay MP	Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research and Minister for Women
Mr Barry Buffier	Deputy Director General, Department of Industry and Investment
Ms Lyndall Gray	Executive Director, General Manager, Tourism NSW
Mr Warwick Watkins	Chief Executive, Land and Property Management Authority
Mr Craig Norman	General Manager, Hunter Development Corporation
Ms Kerry Doyle	Executive Director, Innovation, Science and Industry Analysis
Mr Chris Armstrong	Acting Director, Office of Science and Medical Research
Ms Alex Shehadie	Acting Executive Director, Office for Women's Policy
Ms Vicky D'Adam	Assistant Director General, Policy and Strategy, Department of Premier and Cabinet

### 2. Ports and Waterways and Illawarra – Monday 13 September 2010

Name	Position and Organisation
The Hon Eric Roozendaal MLC	Treasurer, Special Minister of State, Minister for State and Regional Development, Minister for Ports and Waterways and Minister for the Illawarra
Mr Steve Dunn	Chief Executive, NSW Maritime
Mr Tony Middleton	Deputy Chief Executive, NSW Maritime

### 3. Mineral and Forest Resources – Monday 13 September 2010

Name	Position and Organisation
The Hon Steve Whan MP	Minister for Primary Industries, Minister for Emergency Services and Minister for Rural Affairs
Mr Brad Mullard	Executive Director, Mineral Resources, Department of Industry and Investment
Mr Nick Roberts	Chief Executive, Forests NSW, Department of Industry and Investment
Dr Richard Sheldrake	Director-General, Department of Industry and Investment

### 4. Treasury, Special Minister of State and State and Regional Development – Tuesday 14 September 2010

Name	Position and Organisation
The Hon Eric Roozendaal MLC	Treasurer, Special Minister of State, Minister for State and Regional Development, Minister for Ports and Waterways and Minister for the Illawarra
Mr Michael Schur	Secretary, NSW Treasury
Mr Mark Ronsisvalle	Deputy Secretary, Budget and Financial Management Directorate, NSW Treasury
Mr Kevin Cosgriff	Deputy Secretary, Fiscal and Economic Directorate, NSW Treasury

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<b>Name</b>	<b>Position and Organisation</b>
Mr Richard Timbs	Deputy Secretary, Commercial Management Directorate, NSW Treasury
Mr Stephen Brady	Deputy Secretary, Expenditure Review Directorate, NSW Treasury
Mr Tony Newbury	Executive Director and Chief Commissioner of State Revenue, Office of State Revenue
Dr Col Gellatly	Director, NSW Electricity Reform Project Office
Mr Michael Cullen	Executive Director, Regional Development Branch
Dr Richard Sheldrake	Director General, Department of Industry and Investment
Mr Barry Buffier	Deputy Director General, Department of Industry and Investment

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#### **5. Premier and Redfern, Waterloo – Tuesday 14 September 2010**

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<b>Name</b>	<b>Position and Organisation</b>
The Hon Kristina Keneally MP	Premier and Minister for Redfern, Waterloo
Mr Brendan O'Reilly	Director General, Department of Premier and Cabinet

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#### **6. Treasury – Monday 15 November 2010 (supplementary hearing)**

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<b>Name</b>	<b>Position and Organisation</b>
Mr Michael Schur	Secretary, NSW Treasury
Mr Kevin Cosgriff	Deputy Secretary, Fiscal and Economic Directorate, NSW Treasury
Mr Mark Ronsisvalle	Deputy Secretary, Budget and Financial Management Directorate, NSW Treasury
Mr Richard Timbs	Deputy Secretary, Commercial Management Directorate, NSW Treasury
Mr Stephen Brady	Deputy Secretary, Expenditure Review Directorate, NSW Treasury
Ms Caralee McLiesh	Deputy Secretary, Human and Social Directorate, NSW Treasury
Ms Dianne Barden	Acting Executive Director, Office of State Revenue, NSW Treasury
Dr Col Gellatly	Director, NSW Electricity Reform Project Office

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## Appendix 2 Tabled documents

### Monday 13 September 2010

#### Public Hearing, Room 814/815, Parliament House

1. NSW Maritime, *Grievance Handling and Dispute Procedures, Revised version*, 2007, tendered by Mr Steve Dunn, Chief Executive, NSW Maritime
2. NSW Maritime, *Guidelines for the provision of ex-gratia assistance for legal representation for Ministers of the Crown, Public Officials and Crown Employees*, tendered by Mr Steve Dunn, Chief Executive, NSW Maritime
3. ICAC, *Investigation into the Misuse of Resources by a NSW Maritime Legal Services Branch Officer*, September 2010, tendered by Mr Steve Dunn, Chief Executive, NSW Maritime

### Tuesday 14 September 2010

#### Public Hearing, Jubilee Room, Parliament House

4. Five items of correspondence in relation to the disclosure of the pecuniary interests of Premier Keneally's spouse, Mr Ben Keneally, tendered by Premier Keneally
5. Three items of correspondence in relation to NSW Government funding for the 2010 Greek Festival of Sydney, tendered by Premier Keneally
6. News articles entitled "'Oprah' celebrates Oprah on last season premiere", 'Oprah Offers Audience Trip to Australia' and a media article from *The New York Times*, tendered by Premier Keneally.

## Appendix 3 Minutes

### Minutes No 37

Wednesday 8 September 2010

Members Lounge, Parliament House, Sydney, at 2.15 pm

#### 1. Members present

Revd Fred Nile (*Chairman*)

Ms Kayee Griffin (*Deputy Chair*)

Mr Ian West

Ms Melinda Pavey

Mr Matthew Mason-Cox

Mr Luke Foley

#### 2. Chairman welcome

The chairman welcomed Mr Luke Foley to General Purpose Standing Committee No. 1.

#### 3. Inquiry into Budget Estimates 2010-2011 – procedural resolutions

##### Allocation of question time

Resolved on the motion of Revd Nile: That for the initial round of hearings into the Budget Estimates 2010 – 2011, the sequence of questions to be asked alternate between Opposition, Cross Bench and Government members, in that order, with 20 minutes allocated to each.

##### Publication of answers to questions on notice

Resolved on the motion of Mr Mason-Cox: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the Clerk of the Committee to publish the answers provided to questions on notice, except those answers for which confidentiality is requested, after these answers have been circulated to committee members.

##### Order for examination of portfolios: If portfolios are not to be considered concurrently

Resolved on the motion of Ms Pavey:

That on Monday 13 September 2010, the:

Tourism portfolio be examined from 9.15 am until 10.15 am

Hunter portfolio be examined from 10.15 am until 11.00 am

Science and Medical Research portfolio be examined from 11.00 am until 12.00 pm

Women portfolio be examined from 12.00 pm until 1.00 pm.

That on Tuesday 14 September 2010, the:

Treasury and Special Minister of State portfolios be examined from 9.15 am until 12.15 pm

State and Regional Development portfolio be examined from 12.15 pm until 1.00 pm.

That on Tuesday 14 September 2010, the:

Premier portfolio be examined from 2.00 pm until 5.15 pm

Redfern Waterloo portfolio be examined from 5.15 pm until 6.00 pm.

The committee noted the resolution of the house regarding the Budget Estimates hearing on Monday 13 September 2010:

Ports and Waterways and Illawarra portfolios be examined from 2.00 pm until 4.30 pm

Mineral and Forest Resources portfolio be examined from 4.45 pm until 6.00 pm.

#### 4. Adjournment

The Committee adjourned at 2.30 pm until Monday 13 September at 9.00 am in room 814/815.

Rachel Simpson  
**Clerk to the Committee**

**Minutes No 38**

Monday, 13 September 2010  
 Room 814/815, Parliament House, Sydney, at 9.02 am

**1. Members present**

Revd Fred Nile (*Chair*)  
 Ms Kayee Griffin (*Deputy Chair*)  
 Mr Ian Cohen (*Kaye – Tourism*)  
 Mr Luke Foley  
 Mr Michael Gallacher (*Mason-Cox – Hunter*)  
 Mr Duncan Gay (*Mason-Cox – Tourism, Science and Medical Research, Women*)  
 Ms Melinda Pavey  
 Mr Ian West (from 9.46 am)

**2. Substitute members**

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Cohen to substitute for Dr Kaye for the Tourism portfolio
- Ms Faehrmann to substitute for Dr Kaye for the Hunter, Science and Medical Research and Women portfolios
- Mr Gallacher to substitute for Mr Mason-Cox for the Hunter portfolio
- Mr Gay to substitute for Mr Mason-Cox for the Tourism, Science and Medical Research and Women portfolios.

**3. Participating member**

Mr Cohen for Dr Kaye, (Hunter, Science and Medical Research, Women).

**4. Minutes**

Resolved on the motion of Ms Griffin: That Draft Minutes Nos 36 and 37 be confirmed.

**5. Correspondence**

The Committee noted the following item of correspondence sent:

- 20 August 2010 – From Secretariat to Minister McKay, Minister for Tourism, Minister for Hunter, Minister for Science and Medical Research and Minister for Women regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2010-2011.

**6. Conduct of hearing**

Resolved, on the motion of Ms Griffin: That a ten minute break be taken for morning tea.

**7. Public hearing: Inquiry into Budget Estimates 2010-2011**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Minister McKay that she did not need to be sworn, as she had sworn an oath to her office as a Member of Parliament.

The following officials from the Departments of Industry and Investment and Tourism NSW were sworn:

- Mr Barry Buffier, Deputy Director General, Department of Industry and Investment
- Ms Lyndall Gray, Executive Director, General Manager, Tourism NSW.

The Chair then declared the proposed expenditure for the portfolio of Tourism open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the departmental witnesses withdrew.

The following officials from the Land and Property Management Authority and the Hunter Development Corporation were sworn:

- Mr Warwick Watkins, Chief Executive, Land and Property Management Authority
- Mr Craig Norman, General Manager, Hunter Development Corporation.

The Chair then declared the proposed expenditure for the portfolio of Hunter open for examination.

The Minister and other witnesses were examined by the Committee.

The Committee broke for morning tea from 10.38 am to 10.48 am.

The evidence concluded and the departmental witnesses withdrew.

The following officials from the Department of Industry and Investment were sworn:

- Ms Kerry Doyle, Executive Director, Innovation, Science and Industry Analysis
- Mr Chris Armstrong, Acting Director, Office of Science and Medical Research.

Mr Barry Buffier, Deputy Director General, Department of Industry and Investment appeared on his former oath.

The Chair then declared the proposed expenditure for the portfolio of Science and Medical Research open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the departmental witnesses withdrew.

The following officials from the Office for Women's Policy and the Department of Premier and Cabinet were sworn:

- Ms Alex Shehadie, Acting Executive Director, Office for Women's Policy
- Ms Vicky D'Adam, Assistant Director General, Policy & Strategy, Department of Premier and Cabinet.

The Chair then declared the proposed expenditure for the portfolio of Women open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 12.59 pm.

The public and media withdrew.

## **8. Adjournment**

The Committee adjourned at 12.59 pm until Monday, 13 September 2010 at 2.00 pm.

Stephen Frappell  
**Clerk to the Committee**

**Minutes No 39**

Monday, 13 September 2010

Room 814/815, Parliament House, Sydney, at 2.00 pm

**1. Members present**Revd Fred Nile (*Chairman*)Ms Kayee Griffin (*Deputy Chair*)

Mr Robert Borsak (participating – Mineral and Forest Resources)

Ms Sophie Cotsis (*Foley* – Ports and Waterways, Illawarra)

Mr Luke Foley

Mr Duncan Gay (*Pavey* – Mineral and Forest Resources)

Dr John Kaye

Mr Trevor Khan (participating – Ports and Waterways, Illawarra)

Mr Matthew Mason-Cox

Mr Greg Pearce (*Pavey* – Ports and Waterways, Illawarra)Mr David Shoebridge (*Kaye* – Ports and Waterways, Illawarra)Mr Mick Veitch (*West*)**2. Substitute members**

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Ms Cotsis to substitute for Mr Foley for the Ports and Waterways and Illawarra portfolios
- Mr Gay to substitute for Ms Pavey for the Mineral and Forest Resources portfolio
- Mr Pearce to substitute for Ms Pavey for the Ports and Waterways and Illawarra portfolios
- Mr Shoebridge to substitute for Dr Kaye for the Ports and Waterways and Illawarra portfolios
- Mr Veitch to substitute for Mr West.

**3. Participating members**

The Chair advised that the following members would be attending the meeting as participating members:

- Mr Borsak (for the Mineral and Forest Resources portfolio)
- Mr Khan (for the Ports and Waterways and Illawarra portfolios).

**4. Correspondence**

The Committee noted the following items of correspondence sent:

- 20 August 2010– From Secretariat to Minister McLeay, Minister for Ports and Waterways, Minister for Illawarra and Minister for Mineral and Forest Resources regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2010-2011
- 8 September 2010 – From Secretariat to the office of Treasurer Roozendaal, Minister for Ports and Waterways and Minister for Illawarra regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2010-2011
- 8 September 2010 – From Secretariat to the office of Minister Whan, Minister for Primary Industries, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2010-2011.

**5. Public hearing: Inquiry into Budget Estimates 2010-2011**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Treasurer Roozendaal that he did not need to be sworn, as he had sworn an oath to his office as a Member of Parliament.

The following officials from NSW Maritime were sworn:

- Mr Steve Dunn, Chief Executive
- Mr Tony Middleton, Deputy Chief Executive.

The Chair then declared the proposed expenditure for the portfolios of Ports and Waterways and Illawarra open for examination.

The Minister and other witnesses were examined by the Committee.

Mr Dunn tendered the following published documents:

- NSW Maritime, Grievance Handling and Dispute Procedures, Revised version, 2007
- NSW Maritime, Guidelines for the provision of ex-gratia assistance for legal representation for Ministers of the Crown, Public Officials and Crown Employees
- ICAC, Investigation into the Misuse of Resources by a NSW Maritime Legal Services Branch Officer, September 2010.

The evidence concluded and the witnesses withdrew.

The Chair made a brief opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Minister Whan that he did not need to be sworn, as he had sworn an oath to his office as a Member of Parliament.

The following officials from Department of Industry & Investment were sworn:

- Mr Brad Mullard, Executive Director, Mineral Resources
- Mr Nick Roberts, Chief Executive, Forests NSW
- Dr Richard Sheldrake, Director-General.

The Chair then declared the proposed expenditure for the portfolio of Mineral and Forest Resources open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

## 6. Adjournment

The Committee adjourned at 5.34 pm until Tuesday, 14 September 2010 at 9.00 am.

Madeleine Foley

**Clerk to the Committee**

## Minutes No 40

Tuesday, 14 September 2010

Jubilee Room, Parliament House, Sydney, at 9.15 am

### 1. Members present

Revd Fred Nile (*Chair*)

Ms Kayee Griffin (*Deputy Chair*)

Mr Luke Foley

Dr John Kaye

Mr Trevor Khan (*Pavey*)

Mr Maxon-Cox

Mr Mick Veitch (*West*)



## 2. **Substitute members**

The Chairman advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Khan to substitute for Ms Pavey
- Mr Veitch to substitute for Mr West.

## 3. **Correspondence**

The Committee noted the following items of correspondence sent:

- 20 August 2010– From Secretariat to Treasurer Roozendaal, Treasurer, Minister for Special Minister of State and Minister for State and Regional Development regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2010-2011.

## 4. **Public hearing: Inquiry into Budget Estimates 2010-2011**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Treasurer Roozendaal that he did not need to be sworn, as he had sworn an oath to his office as a Member of Parliament.

The following officials from departments, statutory bodies or corporations were sworn:

- Mr Michael Schur, Secretary, NSW Treasury
- Mr Mark Ronsisvalle, Deputy Secretary, Budget and Financial Management Directorate, NSW Treasury
- Mr Kevin Cosgriff, Deputy Secretary, Fiscal & Economic Directorate, NSW Treasury
- Mr Richard Timbs, Deputy Secretary, Commercial Management Directorate, NSW Treasury
- Mr Stephen Brady, Deputy Secretary, Expenditure Review Directorate, NSW Treasury
- Mr Tony Newbury, Executive Director and Chief Commissioner of State Revenue, Office of State Revenue
- Dr Col Gellatly, Director, NSW Electricity Reform Project Office.

The Chair then declared the proposed expenditure for the portfolios of Treasury, Special Minister of State and State and Regional Development open for examination.

The Treasurer and other witnesses were examined by the Committee.

The evidence concluded and the departmental witnesses withdrew.

The following official from the Department of Industry and Investment was sworn:

- Mr Michael Cullen, Executive Director, Regional Development Branch.

The following officials from the Department of Industry and Investment appeared on their former oath:

- Dr Richard Sheldrake, Director General
- Mr Barry Buffier, Deputy Director General.

The Treasurer and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 12.21 pm.

The public and media withdrew.

**5. Adjournment**

The Committee adjourned at 12.21 pm until Tuesday, 14 September 2010 at 2.00 pm.

Rachel Simpson

**Clerk to the Committee**

**Minutes No 41**

Tuesday, 14 September 2010

Jubilee Room, Parliament House, Sydney, at 2.00 pm

**1. Members present**

Revd Fred Nile (*Chair*)

Ms Kayee Griffin (*Deputy Chair*)

Mr Luke Foley

Mr Michael Gallacher (*Mason-Cox*)

Dr John Kaye

Mr Trevor Khan (*Pavey*)

Ms Penny Sharpe (*West*)

**2. Substitute members**

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Gallacher to substitute for Mr Mason-Cox
- Mr Khan to substitute for Ms Pavey
- Ms Sharpe to substitute for Mr West.

**3. Correspondence**

The Committee noted the following items of correspondence sent:

- 20 August 2010– From Secretariat to Premier Keneally, Premier and Minister for Redfern Waterloo regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2010-2011.

**4. Public hearing: Inquiry into Budget Estimates 2010-2011**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Premier Keneally that she did not need to be sworn, as she had sworn an oath to her office as a Member of Parliament.

The Chair declared the proposed expenditure for the portfolio of Premier open for examination.

The following official from the Department of Premier and Cabinet was sworn:

- Mr Brendan O'Reilly, Director General.

The Premier and Mr O'Reilly were examined by the Committee.

Premier Keneally tendered the following documents:

Five items of correspondence in relation to the disclosure of the pecuniary interests of Premier Keneally's spouse, Mr Ben Keneally:

- 4 February 2009 – from Premier Keneally to former Premier Nathan Rees
- 6 February 2009 – from Premier Keneally to Mr Russell Grove, Clerk of the Legislative Assembly
- 6 February 2009 – from Premier Keneally to Mr Ian Dixon, Parliamentary Ethics Advisor

- 6 February 2009 – from Premier Keneally to Ms Leigh Sanderson, Deputy Director General, Department of Premier and Cabinet
- 30 November 2009 – from Premier Keneally to former NSW Premier Nathan Rees.

Three items of correspondence in relation to NSW Government funding for the 2010 Greek Festival of Sydney:

- 11 March 2010 – from Premier Keneally to Mr Harry Danalis, President of the Greek Orthodox Community of NSW
- 8 February 2010 – from the Hon John Hatzistergos, Minister for Citizenship, to Premier Keneally
- 21 December 2009 – from Mr Harry Danalis, President of the Greek Orthodox Community of NSW, to Premier Keneally
- News articles entitled "'Oprah' celebrates Oprah on last season premiere", 'Oprah Offers Audience Trip to Australia' and an unidentifiable document.

The Chair declared the proposed expenditure for the portfolio of Redfern Waterloo open for examination.

The following official from the Redfern Waterloo Authority was sworn:

- Mr Roy Wakelin-King, Chief Executive Officer.

The Premier and other witness were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 5.30 pm.

The public and media withdrew.

## 5. **Deliberative meeting**

### Tabled documents

Resolved, on the motion of Mr Khan: That the Committee not accept the document tendered by Treasurer Roozendaal, entitled "Michael Baird's Youtube confessional on CDOs".

Resolved, on the motion of Ms Sharpe: That the Committee accept and publish, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the following documents tendered this day during the public hearings:

- Correspondence between Premier Keneally and former Premier Rees, tendered by Premier Keneally
- Correspondence between Premier Keneally and President of the Greek Orthodox Community of NSW, tendered by Premier Keneally.

### Supplementary hearings

Resolved, on the motion of Ms Sharpe: That the Committee defer its decision regarding holding supplementary hearings relating to all of its portfolios until after the receipt of answers to questions taken on notice at the initial round of Budget Estimates hearings.

## 6. **Adjournment**

The Committee adjourned at 5.40 pm *sine die*.

Beverly Duffy  
Clerk to the Committee

**Minutes No 42**

Wednesday 27 October 2010

Members Lounge Parliament House, Sydney, at 1.30 pm

**1. Members present**Revd Fred Nile (*Chair*)Ms Kayee Griffin (*Deputy Chair*)

Mr Luke Foley

Mr Matthew Mason-Cox

Dr John Kaye

Ms Melinda Pavey

Mr Ian West

**2. Draft Minutes**

Resolved, on the motion of Mr Kaye: That Draft Minutes Nos 37, 38, 39, 40 and 41 be confirmed.

**3. Correspondence**

The Committee noted the following items of correspondence sent:

- 16 September 2010 – Letters from the Secretariat requesting answers to Budget Estimates questions on notice by 5 pm Thursday 7 October 2010, to:
  - Minister McKay – Tourism, Hunter, Science and Medical Research and Women
  - Treasurer Roozendaal – Ports and Waterways, Illawarra
  - Minister Whan – Mineral and Forest Resources
- 17 September 2010 – Letters from the Secretariat requesting answers to Budget Estimates questions on notice by 5 pm Friday 8 October 2010, to:
  - Treasurer Roozendaal – Treasury, Special Minister of State and State and Regional Development
  - Premier Kenneally – Premier and Redfern Waterloo

The Committee noted the following items of correspondence received:

- Letters providing answers to questions taken on notice during the Budget Estimates hearings on Monday, 13 September 2010
  - 6 October 2010 – Minister Whan – Mineral and Forest Resources
  - 7 October 2010 – Minister McKay – Tourism, Hunter, Science and Medical Research and Women
  - 7 October 2010 – Treasurer Roozendaal – Ports and Waterways, Illawarra.
- Letters providing answers to questions taken on notice during the Budget Estimates hearings on Tuesday, 14 September 2010
  - 8 October 2010 – Treasurer Roozendaal – Treasury, Special Minister of State and State and Regional Development
  - 8 October 2010 – Premier Kenneally – Premier and Redfern Waterloo.

**4. Budget Estimates supplementary hearings**

Mr Mason Cox moved: That the Committee hold a further hearing to consider matters relating to the portfolio of Premier.

Question put.

The Committee divided.

Ayes: Mr Kaye, Ms Pavey Mr Mason-Cox

Noes: Ms Griffin, Mr West, Mr Foley, Rev Nile

Question resolved in the negative.

Mr Kaye moved: That the Committee hold a further hearing to consider matters relating to the portfolio of Treasury on Monday 15 November from 2pm-4pm to which the following witnesses be invited to attend:

- Mr Michael Schur, Secretary, NSW Treasury
- Mr Mark Ronsisvalle, Deputy Secretary, Budget and Financial Management Directorate, NSW Treasury
- Dr Col Gellatly, Director, NSW Electricity Reform Project Office.

In addition to any additional witnesses who appeared at the initial budget estimates hearing identified to the Secretariat by 2pm Thursday 28 October.

Question put.

Committee divided.

Ayes: Mr Kaye, Ms Pavey, Mr Mason-Cox, Rev Nile

Noes: Mr Foley, Ms Griffin, Mr West.

Question resolved in the affirmative.

Mr Mason Cox moved: That the Committee hold a further hearing to consider matters relating to the portfolio of Ports and Waterways.

Question put.

The Committee divided.

Ayes: Mr Kaye, Ms Pavey, Mr Mason-Cox

Noes: Ms Griffin, Mr West, Mr Foley, Rev Nile

Question resolved in the negative.

## 5. **Adjournment**

The Committee adjourned at 2.10 pm until Monday, 15 November 2010 at 1.45 pm.

Beverly Duffy

**Clerk to the Committee**

## **Minutes No 43**

Monday, 15 November 2010

Jubilee Room, Parliament House, Sydney, at 1.45 pm

### 1. **Members present**

Revd Fred Nile (*Chairman*)

Ms Kayee Griffin (*Deputy Chair*)

Ms Catherine Cusack (*Participating*)

Mr Luke Foley

Dr John Kaye

Mr Trevor Khan (*Pavey*)

Mr Matthew Mason-Cox

Mr Ian West

**2. Substitute member**

The Chair advised that he had received written advice that the following member would be substituting for the purposes of this hearing:

- Mr Khan to substitute for Ms Pavey.

**3. Participating member**

The Chair advised that the following member would be attending the meeting as a participating member:

- Ms Cusack.

**4. Draft Minutes**

Resolved on the motion of Mr West: That draft Minutes No 42 be confirmed.

**5. Correspondence**

The Committee noted the following item of correspondence sent:

- 3 November 2010 – From Secretariat to the Treasurer, advising him of the supplementary hearing to be held on Monday 15 November 2010 for the Inquiry into the Budget Estimates 2010-2011.

**6. Conduct of hearing**

Allocation of question time

Resolved, on the motion of Mr West: That:

- For the supplementary round of hearings into the Budget Estimates 2010-2011, for the Treasury portfolio, the sequence of questions to be asked alternate between Opposition, Cross Bench and Government members, in that order, with 20 minutes allocated to each.
- If Government members do not use all of their allocated time for questioning, then the equivalent amount of time will be deducted from the end of the hearing.

**7. Public hearing: Inquiry into Budget Estimates 2010-2011**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded the following officials from departments, statutory bodies or corporations that they did not need to be sworn, as they had been sworn at the initial Budget Estimates hearing:

- Mr Michael Schur, Secretary, NSW Treasury
- Mr Kevin Cosgriff, Deputy Secretary, Fiscal and Economic Directorate, NSW Treasury
- Mr Mark Ronsisvalle, Deputy Secretary, Budget & Financial Management Directorate, NSW Treasury
- Mr Richard Timbs, Deputy Secretary, Commercial Management Directorate, NSW Treasury
- Mr Stephen Brady, Deputy Secretary, Expenditure Review Directorate, NSW Treasury
- Dr Col Gellatly, Director, NSW Electricity Reform Project Office.

The following officials from NSW Treasury were sworn:

- Ms Caralee McLiesh, Deputy Secretary, Human and Social Directorate
- Ms Dianne Barden, Acting Executive Director, Office of State Revenue.

The Chair then declared the proposed expenditure for the Treasury portfolio open for examination.

The witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew. The public hearing concluded at 3.20 pm.

The public and media withdrew.

## 8. Adjournment

The Committee adjourned at 3.25 pm *sine die*

Emily Nagle

**Clerk to the Committee**

## Draft Minutes No 44

Tuesday, 14 December 2010

Member's Lounge, Parliament House, Sydney, at 2.00 pm

### 1. Members present

Revd Fred Nile (*Chairman*)

Ms Sophie Cotsis (*Griffin*)

Mr Luke Foley

Mr Don Harwin (*Pavey*)

### 2. Substitute member

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this meeting:

- Ms Cotsis to substitute for Ms Griffin
- Mr Harwin to substitute for Ms Pavey.

### 3. Draft Minutes

Resolved on the motion of Ms Cotsis: That draft Minutes No 43 be confirmed.

### 4. Correspondence

The Committee noted the following items of correspondence:

#### *Received:*

- 10 December 2010 - Letter from the Treasurer providing answers to questions taken on notice during the Budget Estimates supplementary hearing on Monday, 15 November 2010.

#### *Sent:*

- 18 November 2010 – Letters from the Secretariat to the Treasurer requesting answers to Budget Estimates questions on notice by 5.00 pm Thursday, 9 December 2010.

### 5. Budget Estimates 2010-2011: Chair's draft report

The Chairman tabled his draft report number 35 entitled *Budget Estimates 2010-2011*, which having been previously circulated, was taken as being read.

Resolved, on the motion of Mr Harwin: That the draft report be the report of the Committee.

Resolved, on the motion of Mr Harwin: That the Committee present the report to the Clerk of the Parliaments, together with transcripts of evidence, tabled documents, answers to questions on notice, minutes of proceedings and correspondence relating to the Inquiry.

### 6. Adjournment

The Committee adjourned at 2.05 pm *sine die*.

Rachel Callinan

**Clerk to the Committee**