



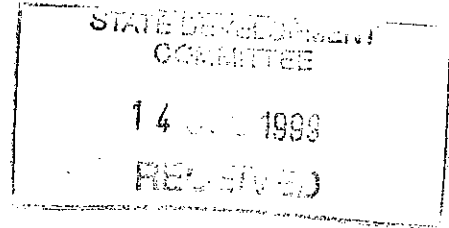
New South Wales

The Hon Harry Woods MP  
Minister for Regional Development  
Minister for Rural Affairs  
Minister for Local Government

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6<sup>th</sup> July 1999

The Hon. Tony Kelly MLC  
C/o State Parliament  
Macquarie St.  
SYDNEY 2000



Dear Mr. Kelly

I have attached the Government's responses to the recommendations made in the Legislative Council Standing Committee on State Development's Report on Future Employment and Business Opportunities in the Hunter Region.

Please be advised that the Cabinet Office will forward copies of the responses to the Clerk for tabling in the house.

Should you have any queries regarding these responses, please contact Perce Butterworth, Executive Director, Policy and Resources, Department of State and Regional Development, on Tel: (02) 9228 3606

Yours Sincerely

Harry Woods  
Minister for Regional Development  
Minister for Rural Affairs and  
Minister for Local Government

**NEW SOUTH WALES GOVERNMENT RESPONSE –  
LEGISLATIVE STANDING COMMITTEE INQUIRY INTO FUTURE EMPLOYMENT  
AND BUSINESS OPPORTUNITIES IN THE HUNTR REGION AND  
THE DOWNSIZING OF THE RACK-RITE INVESTMENT PROPOSAL**

**Recommendation 1**

The Standing Committee acknowledges the progress made by the key participants in resolving problems in the coal chain and recommends that the relevant Ministers form a coal chain committee to specifically resolve outstanding issues. Membership of the committee should include representatives from:

- Newcastle Port Corporation;
- FreightCorp;
- Rail Access Corporation;
- Port Waratah Coal Services;
- Department of Transport; and
- such representatives as the relevant Ministers consider necessary.

The coal chain committee's primary aim will be to resolve coordination problems from the mines to the ships. The Standing Committee further recommends that the relevant Ministers, on behalf of the coal chain committee, table quarterly progress reports in Parliament.

**Response**

A Hunter Valley Coal Chain Transport Planning Group already exists. FreightCorp and the Rail Access Corporation (RAC) are members. The Group's role is to oversee and optimise the export coal task. The creation of another committee may create an additional level of bureaucracy.

The Hunter Valley Coal Chain Council operates as a forum for information exchange between participants in the coal chain and to facilitate the development of the Hunter Valley's coal resources. Current coal demand exceeds the capacity of the coal chain. However, coal-loading capacity at Port Waratah has been increased via additional loading facilities and industrial relations initiatives. Further expansion of the Port Waratah Coal Services and implementation of the proposed Brambles/Austrack coal handling facility will improve growth.

The Coal Chain Transport Planning Committee has scheduled joint maintenance planning for rail and Port services, made recommendations to the Rail Access Corporation for rail infrastructure improvements, examined options for alternative coal shiploading to reduce waiting times and successfully applied to the Australian Competitor and Consumer Commission for a Coal Allocation System to reduce waiting times. This will run for six months. It has also effected an increase in the number of coal wagons available, thus reducing the gap between rail and shiploading capacity.

A number of initiatives have been undertaken to improve the coal chain. These are

- Coordination of maintenance planning between RAC, FreightCorp and Port Waratah Coal Services to minimise disruptions;
- Construction of crossovers and bi-directional signalling along Hexham Straight at a cost of \$5.54 million. By improving the flexibility of infrastructure on the main line, this will allow improved sequencing of trains for presentation, thereby reducing the number of trains queuing at Port Waratah Coal Services. This work is due for completion in June 1999;

- Whittingham Loop extension and bi-directional working at a cost of \$2.6 million. This project will extend the existing loop allowing longer trains. This is due for completion in December 1999; and
- Major concrete resleeper program at a cost of \$5 million in 1998/99. This improves the reliability and capacity of the track.

### **Recommendation 2**

The Standing Committee recommends that the Minister for Ports coordinate a taskforce to investigate developing a container terminal in Newcastle, comprising:

- Newcastle Port Corporation;
- Hunter Economic Development Corporation;
- shipping companies;
- importers and exporters;
- Maritime Union of Australia; and
- Such industry and community representatives as the Minister for Ports considers necessary.

○ The Minister for Ports should table the taskforce's findings in Parliament by 30 July 1999.

### **Response**

On 25 September 1998, the Premier announced that a feasibility and environmental impact study into a world class Multi-Purpose Terminal Proposal for the Newcastle steelworks site would be undertaken by BHP and Leightons Contractors Pty Ltd.

P&O Ports have joined the feasibility study consortium and UK based firm Drewey's will undertake market analysis for the group. A community briefing on the project took place on 9 December 1998 and there will be regular report back briefings for the community in 1999. Newcastle Port Corporation has undertaken extensive consultation on the project at both a strategic and operational level. The study encompasses plans for a container terminal with a maximum capacity of 500,000 units, a general cargo roll on/roll off terminal and a car terminal.

### **Recommendation 3**

○ The Standing Committee recommends that the Regional Co-ordinator of the Hunter and Central Coast in the Premier's Department coordinate state government assistance (from the Hunter Economic Development Corporation (HEDC), the Department of Transport and other relevant bodies) for Newcastle Airport Limited in relation to:

- renegotiating the joint user agreement with the airforce;
- resolving problems related to computer reservation systems; and
- Implementing a plan for future airport operations.

The Standing Committee additionally recommends that Newcastle Airport Limited examine their pricing structure to achieve a balance between attracting industry and being able to provide adequate infrastructure. Further, the Standing Committee recommends that the Minister for Regional Development approach the Federal Government to secure funds from the Federal Government infrastructure fund to provide necessary infrastructure at Newcastle Airport.

## **Response**

The preparation of a new joint user agreement is currently being prepared by the Royal Australian Airforce and Newcastle Airport Limited and the major issue of flight time slots has been resolved.

The issue regarding the problems with the computer reservation system is a worldwide problem that has been evident for many years. A method for resolving the problem is not clear at this time.

A plan addressing the future of the airport, which was funded by the Department of State and Regional Development (DSRD) and Newcastle Airport Limited, has been completed and released. This report demonstrates growth will continue at the airport for RAAF and civilian activity.

Approaches are being made to the Federal Government for funding for additional infrastructure at the airport, which will assist in the growth of the airport. The Premier's Department Regional Coordinator is providing support to the airport on the above issues.

## **Recommendation 4**

The Standing Committee believes that the rail line into Newcastle Station provides necessary economic and social benefits and recommends that the rail link remain fully operational. However, it is apparent to the Standing Committee that accessibility between Newcastle city and the Honeysuckle/harbour area needs to be improved.

The Standing Committee recommends that the Minister for Transport coordinate a consultative committee to decide how to improve accessibility between Newcastle city centre and the Honeysuckle/harbour area. The consultative committee should comprise representatives from:

- Department of Transport;
- Newcastle City Council;
- Newcastle Regional Chamber of Commerce;
- Honeysuckle Development Corporation;
- Rail Access Corporation;
- CityRail;
- Department of Urban Affairs and Planning;
- Parks and Playgrounds Movement; and
- any other representatives that the Minister for Transport considers necessary.

The consultative committee should consider input from any interested parties, including conservation groups, heritage groups and business representatives. The Standing Committee further recommends that the Minister for Transport table the consultative committee's findings in Parliament by 30 June 1999.

## **Response**

The Department of Transport and the Newcastle City Council have commissioned consultants to report on options to improve accessibility from Newcastle City Centre to the Honeysuckle and Harbour areas. The consultants will liaise widely with stakeholders including business and community groups. In addition, RAC and Newcastle Council are currently undertaking design work of a new level crossing at Stewart Avenue.

### **Recommendation 5**

The Standing Committee recommends that the Minister for Regional Development coordinate a feasibility study of the proposed rail tunnel through the Liverpool range by October 1998, and that the Minister announce the outcome of the feasibility study by December 1998.

### **Response**

The Department of Mineral Resources' analysis of the coal industry into the next century indicates a significant slowdown in the development of the Gunnedah coalfields.

At a recent meeting of stakeholders from the New England and Upper Hunter regions brought together by the Ministry of Urban Infrastructure Planning to prioritise regional infrastructure projects, the proposed rail tunnel through the Liverpool ranges was considered to be a very low priority.

Notwithstanding this, the Minister for Transport, Mr Scully, has announced that a feasibility study into a rail tunnel through the Liverpool Ranges has been announced in Action for Transport 2010. The study will be conducted during 1999.

### **Recommendation 6**

The Standing Committee recommends that the Rail Access Corporation and Freight Corp thoroughly assess the Muswellbrook Rail Strategy Study by October 1998.

### **Response**

The RAC is currently reviewing the Muswellbrook Rail Strategy Study. Completion of the reviews is expected by February 1999. The RAC contact for the study is Stephen Alchin, Asset Planning and Development Manager, 9224 3543.

### **Recommendation 7**

The Standing Committee recommends that the Roads and Traffic Authority initiate forthwith a community consultation process in the Lake Macquarie Council area with respect to road access to the Cardiff Industrial Area.

### **Response**

The proposal for a new road and bridge over the Great Northern Railway Line to link Pennant Street to the Cardiff industrial area is on a Local Road owned by council and is considered to be of lower priority than other works on the State Road network. The proposal has an estimated cost of \$9.4 million.

### **Recommendation 8**

The Standing Committee recommends that the New South Wales Government, in particular the Minister for Energy and the Minister for Regional Development, ensure that environmental requirements are considered in the implementation of the national electricity market. This issue should be progressed at a national level, as it is a priority for the continued viability of electricity generators in the Hunter.

Further, the Standing Committee recommends that the Minister for Energy initiate an inquiry into the viability of using methane extracted from coal mines in current generators as a strategy to reduce greenhouse emissions, and that the Minister for Energy table the results of this inquiry in Parliament by November 1998.

## Response

NSW has taken a leading role within Australia to ensure that energy market reforms deliver environmental as well as economic benefits. Reforms in the electricity and gas industries are providing opportunities for alternative power generation choices such as cogeneration and the recovery of coal seam methane which may benefit the environment, consumers and the Hunter Valley. Specific initiatives include:

- Licensing regulations which require NSW electricity retailers to develop strategies for reducing greenhouse gas emissions - a 5% reduction in emissions from 1989/90 per capita levels by 2000/01 has been set as the benchmark.
- The establishment of the Sustainable Energy Development Authority (SEDA). SEDA has accredited Green Power schemes run by most NSW retailers which enable consumers to opt to pay a premium price to ensure that sustainable energy equivalent to a nominated proportion of that used by them is supplied to the grid. These measures aim to encourage the growth of renewable electricity generation and to reduce greenhouse gas emissions from the electricity supply industry.
- The NSW Government electricity purchase contract includes provision for 5% of the agencies' requirements to be sourced from Green Power (sustainable) sources. This initiative promotes the growth of alternative technologies, including potentially the use of coal seam methane, in the NSW electricity sector.
- Examination of the feasibility of an emission trading scheme as a measure to facilitate cost-effective emission reductions. Such a scheme may play a valuable role in reducing the overall level of emissions and should operate at a national level.
- Price control in monopoly electricity businesses which includes a revenue-cap system that encourages companies to help consumers find the best energy solution in the form of energy supply or conservation.

On a national level, the Greenhouse Energy Group and the Energy Markets Group have been established under the Council of Australian Government (COAG). NSW is a major contributor to the Greenhouse Energy Group and the Energy Markets Group established under COAG to address national level energy and associated environmental issues. The greenhouse intensity of the Australian electricity sector is being considered in the context of international obligations under the Kyoto Protocol and a National Greenhouse Strategy (NGS) is being developed by the Commonwealth, in conjunction with the States and Territories. Specific initiatives of the Strategy, to be released in the near future, relate to the electricity sector.

A number of reviews are currently being undertaken, which may impact on electricity sector operations:

- A review is being undertaken of the regulations under the Electricity Supply Act, in which the effectiveness of the current regulatory framework in protecting the environment is one of the issues, which will be considered.
- As part of the updating of NSW pool greenhouse gas coefficients, the Department of Energy has recently sought assistance from generators and coal mines in more accurately determining coal seam methane levels in NSW.

- The Department of Energy will shortly commence a review of the methodology for determining how retailers calculate the emissions associated with the generation of the electricity they supply. This review will, amongst other matters, consider how retailers could be given credit for using energy generated from waste coal seam methane in existing large plant as part of their greenhouse reduction activities. Discussions have been held with Macquarie Generation and Delta Electricity regarding the feasibility of substituting coal seam methane as a fuel in their generators.

Several studies have already been undertaken into coal seam methane. A study was undertaken by the Department of Mineral Resources in 1996 which examined the publicly available database of coal geology in NSW and used this information to assess the potential for discovery of economic supplies of coal seam gas (especially methane) in NSW. The Energy Research and Development Corporation completed a study in November 1997 on the commercial significance to Australia of gas in coal. This study found that coal seam methane was not an economically viable fuel option at that stage.

The use of coal seam methane for electricity generation may be further encouraged if agreement is reached between the States and the Commonwealth on defining methane as a "renewable" energy source. This would qualify methane for inclusion in the National Greenhouse Strategy program to require electricity retailers to purchase an additional 2% of energy from renewable sources. NSW supports the inclusion of methane in this program, however, as yet no decision has been taken by the Commonwealth on this matter.

It would be appropriate to wait until the revised regulatory framework and greenhouse accounting methodology is in place and decisions have been taken on NGS programs before giving further consideration to this issue. At that stage, the need for further study into the viability of coal seam methane in the Hunter Region could be more appropriately assessed.

### **Recommendation 9**

The Standing Committee recognises the importance of telecommunication services as the Hunter becomes more service oriented and recommends that the Minister for Regional Development initiate a study of telecommunication requirements in the Hunter, with particular reference to the Upper Hunter, and table a report detailing the findings of the study in Parliament by 30 June 1999.

### **Response**

The state of the telecommunications infrastructure in the Hunter Valley is the subject of an audit being conducted by the IT&T Coordinator employed by the HEDC. Funding was received for this project through the Networking Nation Regional Telecommunications Infrastructure Fund.

The audit will look at:

- \* Analogue and Digital mobile coverage
- \* Public Switched Telephone Network capabilities
- \* Data capabilities
- \* Internet access at local call rates, and
- \* Soft issues such as identifying regional skill levels and adoption of new technology in various sectors, comparing these levels between towns in the Hunter and assessing the cause of any variations.

The audit includes consultation with Telecommunications Service providers, Internet Access Service Providers and community forums.

Five forums have been held in five townships in the Upper Hunter. The audit will be completed by the end of May 1999.

The HEDC will use the results of the telecommunications audit to develop a strategy for the future of telecommunications and information technology in the Hunter Valley.

### **Recommendation 10**

The Standing Committee recommends that the relevant state government agencies, including the HEDC and the Department of Urban Affairs and Planning and the Regional Coordinator of the Hunter and Central Coast for the Premier's Department, work in conjunction with local governments and community groups to facilitate the development and marketing of industrial estates in the Hunter region.

Further, the Committee recommends that Macquarie Generation identify surplus land to allow appropriate development of that land.

### **Response**

The HEDC marketing strategy incorporates the marketing of industrial estates. In addition, the Joint Action Group (JAG) representing Regional Economic Development Managers and Agencies also undertake the marketing of industrial estates and lands.

The Department of Urban Affairs and Planning (DUAP) has a role in ensuring that the strategic planning is in place for major new industrial estates. DUAP undertook the Lower Hunter Employment Lands Study in 1993, which examined and detailed the supply of industrial land for various purposes. This work was further updated in 1995 and more recently in 1998. In addition, the Department is undertaking a review of the existing and potential supply of suitable industrial sites able to accommodate major port-related industrial development. This work will be reported to Government in early 1999.

There would appear to be a shortage of employment lands in the lower Hunter to cater for all the industrial and commercial opportunities showing interest in the area. A study is currently being completed by DUAP to accurately identify the amount of employment land available for development.

In addition, the Premier's Department Regional Coordinator is working with a number of councils, developers and government departments to increase the amount of employment land available. This should lead to additional land being made available in Newcastle, Lake Macquarie, Cessnock, Maitland and Port Stephens local government areas.

At the same time, the local councils, government departments and developers are working together to have a more streamlined approach on approvals to enable employment land to be developed.

The Steel River site of 107 hectares of land in Newcastle has been developed and is currently being marketed by BHP. The New South Wales Government, in conjunction with Newcastle City Council and BHP, has developed a process that enables some developments to be approved within a 28-day period.

Macquarie Generation has already undertaken an extensive evaluation of the land under its control. In January 1996, the HEDC, Pacific Power and Macquarie Generation commissioned a study to investigate the development of industrial activity in the buffer zones surrounding the Bayswater and



Liddell Power Stations and the Mount Arthur mining area. The study identified opportunities for industrial development in the buffer zones around Liddle and Bayswater Power Station.

Macquarie Generation owns two sites Bayswater North and Bayswater, identified by the Buffer Study as having potential opportunities for alternative uses: These two sites are not regarded by Macquarie Generation as surplus to requirements due to their proximity to power station infrastructure and consequently are not under consideration for sale. Macquarie Generation would consider a leasing arrangement for this land subject to its compatibility with existing operations and to Macquarie Generation maintaining control over the nature and extent of the operation. Industrial development of these two sites would be evaluated on the basis of financial benefit to Macquarie Generation.

### **Recommendation 11**

The Standing Committee recommends that the Minister for Urban Affairs and Planning oversee the formation of a stakeholder steering committee to progress the Honeysuckle redevelopment, which should comprise:

- the Newcastle City Council;
- the Honeysuckle Development Corporation;
- the Parks & Playgrounds Movement;
- a conservation group;
- a heritage group;
- the Newcastle Chamber of Commerce; and
- any other representatives that the Minister for Urban Affairs and Planning considers necessary.

The steering committee should progress the consultative process established by the March 1998 workshop to ensure that any revitalisation projects have the support of the community.

### **Response**

The Honeysuckle Development Corporation, which operates under the Growth Centres (Development Corporations) Act 1974, is directed by a Board which consists of community and professional representatives.

The Corporation is in close contact with the stakeholders mentioned, including Newcastle City Council, the Newcastle and Hunter Business Chamber and the Parks and Playgrounds Movement. Heritage and conservation issues continue to be well canvassed during planning through the commissioning of professional studies and close cooperation with Council's heritage officer.

Master planning is complete for the Civic and Wickham precincts of Honeysuckle. Planning will begin for the Cottage Creek Precinct in 1999 at which time a community representation group will be established.

### **Recommendation 12**

The Standing Committee recommends that the Hunter Economic Development Corporation consider holding quarterly meetings with councils in the Hunter region for two-way communication purposes.

## **Response**

The HEDC has scheduled 3 of its 1999 Board meetings outside Newcastle in Muswellbrook, Cessnock and Scone. It will also continue with its existing policy of the Chairman and the General Manager meeting bi-monthly with the Councillors and officers of a Hunter Council. In this way, all councils have the opportunity to discuss ways of working together with the HEDC.

## **Recommendation 13**

The Standing Committee recommends that the State Government, in conjunction with the HEDC, establish a body similar to SAGRIC International in the Hunter region and that the State Government provide seed-funding for this initiative.

## **Response**

SAGRIC is a body substantially resourced by the South Australian Government to assist companies and groups tender for contracts, particularly overseas work.

DSRD has supported this concept in the Hunter on a more modest scale by providing funding over three years to HunterNet, a cooperative of 30 engineering and mining services companies. HunterNet is now self-funding and is joint tendering for projects both within Australia and overseas. Success with tendering has been limited, although other initiatives generated by HunterNet such as its group-training scheme have brought substantial benefits to the region.

The tendering workshops organised by the Hunter Olympic Business Taskforce are a more cost-effective way of meeting a regional need to upgrade tendering expertise.

In addition, TUNRA, Newcastle University's commercial arm provides tendering advice and expertise to the private sector. While better resourcing for TUNRA would be beneficial, ultimately, tendering is the responsibility of the private sector.

## **Recommendation 14**

The Standing Committee recommends that Cessnock Council, in updating its local environment plan, ensures that large scale tourism development does not impede the wine industry.

## **Response**

Not a New South Wales Government issue.

## **Recommendation 15**

The Standing Committee recommends that the New South Wales Department of Tourism, in conjunction with the Department of State and Regional Development, continue to support tourism promotion in the Hunter as an important regional tourist destination for New South Wales.

## **Response**

DSRD has worked closely with Tourism NSW and the Hunter Region Tourist Organisation (HRTO) in developing the brief and finalising a report and strategic plan for Hunter Region Events.

DSRD, Tourism NSW and HRTO are currently working through the recommendations which will promote tourism, and which include the appointment of an events coordinator for the Hunter.

DSRD is assisting HRTO and Tourism NSW to develop a strategy to secure the future of tourism marketing on a regional basis.

The Hunter Olympic Business Taskforce established by the HEDC/DSRD is maximising the tourism opportunities that arise from the 2000 Olympics and Paralympic Games.

The Upper Hunter Beyond 2000 Committee chaired by Minister Face and funded by DSRD/HEDC and the Upper Hunter Councils has implemented tourism marketing projects as a high priority.

The HEDC, DSRD, and HRTO are major stakeholders in the Hunter Tourism Development Taskforce which is implementing a range of tourism initiatives for the region.

#### **Recommendation 16**

The Standing Committee recommends that the State Government, through the Department of State and Regional Development, facilitate the establishment of a boutique glass manufacturing company in the Hunter.

#### **Response**

DSRD has been working for some time with proponents of a boutique glass manufacturing facility in the Hunter. Negotiations are commercial in confidence but assistance of both a financial and non-financial nature have been offered.

#### **Recommendation 17**

The Standing Committee recommends that the Assistant Director-General of the Strategic Planning Division in the Premier's Department provide necessary advice on meeting due process in developing water supply proposals to service the Hunter wine country.

#### **Response**

The non-potable water pipeline to the Pokolbin area is proceeding and this project will drought-proof the wine and tourist industry in the lower Hunter. 5,000 megalitres of water has been allocated by the Department of Land and Water Conservation and development applications have been lodged with Cessnock and Singleton Councils.

A wide range of government departments have provided support and the project is expected to be pumping water before summer in 1999. The pipeline will lead to further investment of over \$100m in the area and additional employment of over 300.

The success of the project has led to renewed interest in a similar pipeline in the Broke/Fordwich area of the Singleton Shire.

#### **Recommendation 18**

The Standing Committee recommends that the Department of Transport prepare an integrated transport plan as a priority. The integrated transport plan should specifically address the issues of:

- public transport (including ferries, buses and trains);
- road transport;
- air transport;
- pedestrian and cycle access;

- freight rail transport; and
- any other transport issues referred to it by the Minister for Transport.

The integrated transport plan should be developed in conjunction with the Hunter community and should be completed by 30 May 1999. The Minister for Transport should table the plan within one month of its completion.

### **Response**

A Newcastle Transport Masterplan is to be developed by the Department of Transport over the next six months with the support of the Newcastle and Hunter Business Chamber.

### **Recommendation 19**

The Standing Committee recommends that the HEDC continue to make the attraction of the call centre industry a priority.

### **Response**

The HEDC has continued to focus on the attraction of call centres to the Hunter as a way to create new jobs, and diversify the economic base of the region.

In November, 1998 the HEDC set up a call centre attraction taskforce, chaired by Warren Sedman and HEDC Board Member, with membership from local government and the call centre industry in the region. The taskforce assisted the creation of the Australian Teleservices Association Hunter Chapter - the first regional chapter in Australia. The taskforce is also assisting the university, TAFE, and secondary systems set up a Hunter Centre of Excellence in Call Centre Management and Training.

In addition, the taskforce has analysed the competitive advantage of the region for call centre attraction, produced promotional material, and actively sourced call centre leads.

The taskforce was instrumental in the expansion and relocation of The Hunter Valley Wine Society's call centre to be opened at Honeysuckle in April. The taskforce is now also negotiating with a number of call centre operators about setting up in the region.

### **Recommendation 20**

The Standing Committee recommends that the Hunter Area Health Service promote itself to attract the referral of patients from neighbouring regions. Further, the Hunter Area Health Service, in conjunction with the private health sector, should sell its technical and training services to Asia.

### **Response**

The Chief Executive Officer of Hunter Area Health Service, Professor Katherine McGrath advised that the Health Service is looking at opportunities to attract referrals from neighbouring regions, however, its ability to attract significant additional levels of referrals is dependent upon future funding levels.

In addition, the Hunter Area Health Service is looking to market its expertise to external agencies. At this stage it is not planning to extend its expertise into the international market, however should

appropriate opportunities arise, the Health Service would be prepared to give the matter further consideration.

## **RECOMMENDATION OF THE RACKRITE INQUIRY**

### **Recommendation**

The Standing Committee recommends that the Minister for Regional Development urge the Federal Minister for Immigration and Multicultural Affairs to conduct an internal investigation into the processing of Mr Lahner's visa applications to ensure that mechanisms are put in place to prevent the loss of any future investment proposals to New South Wales.

### **Response**

On the recommendation of the Standing Committee, Mr Harry Woods MP, Minister for Regional Development wrote to the Hon Phillip Ruddock MP, federal Minister for Immigration and Multicultural Affairs on 21 August 1998 requesting that he address the administrative procedures which failed to detect the business nature of the immigration of owner of Rack Rite, Mr Melvyn Lahner.