

# **PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE**

**Thursday 7 March 2024**

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

**FINANCE, DOMESTIC MANUFACTURING AND  
GOVERNMENT PROCUREMENT, NATURAL RESOURCES**

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**The Committee met at 09:15.**

## **MEMBERS**

The Hon. Jeremy Buckingham (Chair)

Ms Abigail Boyd

Ms Cate Faehrmann

The Hon. Dr Sarah Kaine

The Hon. Stephen Lawrence

The Hon. Sarah Mitchell

The Hon. Bob Nanva (Deputy Chair)

The Hon. Chris Rath

The Hon. Damien Tudehope

## **PRESENT**

**The Hon. Courtney Houssos**, *Minister for Finance, Minister for Domestic Manufacturing and Government Procurement, and Minister for Natural Resources*



## **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**

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**The CHAIR:** Good morning, everyone. Welcome to the sixth hearing of Portfolio Committee No. 1 - Premier and Finance for the additional round of the inquiry into budget estimates 2023-24. Firstly, I would like to acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders, past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today.

My name is Jeremy Buckingham and I am the Chair of the Committee. I welcome again Minister Courtney Houssos and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Finance, Domestic Manufacturing and Government Procurement, and Natural Resources. I ask everyone in the room to turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage committee members and witnesses to be mindful of these procedures.

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**Mr SCOTT JOHNSTON**, Deputy Secretary, Chief Commissioner of State Revenue, Commissioner of Fines Administration, Revenue NSW, sworn and examined

**Mr MICHAEL COUTTS-TROTTER**, Secretary, NSW Treasury, on former oath

**Ms SONYA CAMPBELL**, Deputy Secretary, Commercial, NSW Treasury, on former oath

**Ms ELIZABETH LIVINGSTONE**, Deputy Secretary, Policy and Budget, NSW Treasury, on former oath

**Ms JOANN WILKIE**, Deputy Secretary, Economic Strategy and Productivity, NSW Treasury, on former affirmation

**Mr CULLEN SMYTHE**, Executive Director, Technical and Advisory Services, Commissioner of State Revenue, Revenue NSW, on former oath

**Ms GEORGINA BEATTIE**, Chief Executive Officer, Mining Exploration and Geoscience, Department of Regional NSW, on former affirmation

**Mr PETER DAY**, Executive Director, Resources Regulator, on former oath

**The CHAIR:** Welcome again, and thank you for making the time to give 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. Mr Johnston has now been sworn. I remind all other witnesses here today that you do not need to be sworn, as you have been sworn at an earlier budget estimates hearing before this Committee. Today's hearing will be conducted from 9.15 a.m. until 5.30 p.m. We are joined by the Minister for the morning session, from 9.15 a.m. to 1.00 p.m., with a 15-minute break at 11.00 a.m. In the afternoon we will hear from departmental witnesses from 2.00 p.m. to 5.30 p.m., with a 15-minute break at 3.30 p.m. During these sessions there will be questions from Opposition and crossbench members only, and then 15 minutes allocated for Government questions at 10.45 a.m., 12.45 p.m. and 5.15 p.m. We will begin with questions from the Opposition.

**The Hon. DAMIEN TUDEHOPE:** Good morning, Minister.

**The Hon. COURTNEY HOUSSOS:** Good morning, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** On 12 September 2023 you made a reference to the social issues committee for an inquiry into procurement in New South Wales. Do you recall doing that?

**The Hon. COURTNEY HOUSSOS:** Yes, I do.

**The Hon. DAMIEN TUDEHOPE:** And it included terms of reference for the inquiry which you asked the committee to inquire into. Is that correct?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** And that referral said, if I can just get the precise terms:

- (g) the New South Wales Government's procurement practices, in particular its ability to:
- (i) prioritise local content, local manufacturing, and local jobs
  - (ii) improve opportunities for quality training and workforce participation
  - (iii) provide opportunities for diversity, inclusion and the participation of disadvantaged groups, including women and minorities
  - (iv) support local suppliers, and small and medium enterprises

Do you recall that those were a component of the terms of reference to the social issues committee?

**The Hon. COURTNEY HOUSSOS:** I broadly recall those.

**The Hon. DAMIEN TUDEHOPE:** In relation to those terms of reference, how do you understand the definition of "local"?

**The Hon. COURTNEY HOUSSOS:** Thank you, Mr Tudehope, for the question. This was something that we went to the election with, and we said that we would introduce local content requirements. Now, I understand that you asked Minister Chanthivong about this during the previous budget estimates hearing.

**The Hon. DAMIEN TUDEHOPE:** I didn't. Someone else may have, but I didn't.

**The Hon. COURTNEY HOUSSOS:** Okay, then someone from the Opposition asked him questions in relation to that.

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**The Hon. DAMIEN TUDEHOPE:** So how do you define "local"? They are your terms of reference for the purposes of the referral to the committee. What is your definition of "local"?

**The Hon. COURTNEY HOUSSOS:** In terms of what local means, broadly that is considered to be within Australia. But this is a complex area of policy that needs to be developed, and that's why I asked Dr Kaine to conduct this particular inquiry. I'm really looking forward to the recommendations from that inquiry and responding to them appropriately.

**The Hon. DAMIEN TUDEHOPE:** So you don't have a specific definition? Because, I think, when the Jobs for NSW legislation was introduced by the Labor Party in the term of the previous Government, local jobs was defined as Australia and New Zealand. Is that right?

**The Hon. COURTNEY HOUSSOS:** Yes, that's correct.

**The Hon. DAMIEN TUDEHOPE:** Would that accord with your view?

**The Hon. COURTNEY HOUSSOS:** Like I said, we haven't landed exactly on what that definition will be. I would expect that to be part of the recommendations and some of considerations that Dr Kaine will consider as part of that inquiry. This is something that requires close and diligent work, and I think that it's the perfect place for an upper House inquiry.

**The Hon. DAMIEN TUDEHOPE:** In terms of the policy that you took to the election, you did have a commitment that you did take to the election. What commitments do you say that you took to the election as requiring local content?

**The Hon. COURTNEY HOUSSOS:** We committed that we would increase tender weightings for projects to 30 per cent to capture local content, job creation, small business and ethical supply chains. We made a number of election commitments in relation to procurement, around local content, around tender weightings and around establishing a jobs first commission. That is what we are absolutely committed to delivering for the people of New South Wales.

**The Hon. DAMIEN TUDEHOPE:** But there was only one specific local commitment that you did make in relation to local manufacturing, was there not?

**The Hon. COURTNEY HOUSSOS:** I'm sorry, what are you referring to, Mr Tudehope?

**The Hon. DAMIEN TUDEHOPE:** Was there only one specific policy you took to the election in relation to local manufacturing that you took to the Parliamentary Budget Office?

**The Hon. COURTNEY HOUSSOS:** It sounds as though you have a new question for me, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** I do. Did you take a specific local manufacturing policy to the election?

**The Hon. COURTNEY HOUSSOS:** The election commitments that we took were that we were committed to increasing tender weightings for projects to 30 per cent.

**The Hon. DAMIEN TUDEHOPE:** Didn't you take a specific provision in relation to the replacement of rolling stock?

**The Hon. COURTNEY HOUSSOS:** Yes, we said that we would have 50 per cent minimum local content for future rolling stock.

**The Hon. DAMIEN TUDEHOPE:** So that was one of the requests you made. For the purposes of that rolling stock, do you understand that that local component was New South Wales, Australia or New Zealand? When you took it to the election as a commitment, where did you take the view that that commitment would be fulfilled from?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, the Labor Party took that commitment to the election. You would be aware that I was not in this particular portfolio at that time. I, as the Minister, am working through how we implement those election commitments. I have asked the upper House inquiry to consider that. It may be, as Minister Chanthivong said at last year's budget estimates, that the industry expectation is that it would be Australia and New Zealand. But let's be really clear about why we took that election commitment there.

**The Hon. DAMIEN TUDEHOPE:** No, I'm not asking you that, Minister.

**The Hon. COURTNEY HOUSSOS:** No. You've asked me a question, and now I'm providing you with an answer.

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**The Hon. DAMIEN TUDEHOPE:** No, I'll redirect you.

**The Hon. COURTNEY HOUSSOS:** You might not like the answer, Mr Tudehope, but that is the answer.

**The Hon. DAMIEN TUDEHOPE:** I didn't ask you why you took the policy to the election. I asked you where you were going to get the local content from. Where do you say that that local content in relation to the commitment for 50 per cent rolling stock will come from?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, I think it's useful to understand. You've asked me what the policy was that we took to the election. The reason why we took that policy to the election was—

**The Hon. DAMIEN TUDEHOPE:** No, I didn't ask you the reason why, Minister. I asked you where it would come from.

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, you get to ask the questions, and I get to provide the answers.

**The Hon. DAMIEN TUDEHOPE:** Well, I will direct you, then, Minister, in relation to it. Where did you get—

**The Hon. BOB NANVA:** Point of order: Chair, it's not courteous to the witness to prevent her from answering a question in a legitimate way and in a way that the Opposition may not want to hear. The Minister's answer was relevant, and I ask that courtesy be extended to her under paragraph 19 of the *Procedural fairness resolution*.

**The CHAIR:** Sure. It's helpful to the inquiry to have fewer interjections. The Minister should be relevant in her answer and can answer as she sees fit. But Mr Tudehope is free to continue asking the questions he wants, too.

**The Hon. DAMIEN TUDEHOPE:** Thank you, Chair. Minister, I take it you're aware of the functions of the Independent Commission Against Corruption?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** One of those functions, as set out in the Act is this to instruct, advise and assist public authorities on ways in which corrupt conduct may be eliminated, the likelihood of corrupt conduct reduced and the integrity and good repute of public administration promoted. You'd be aware that that is one of the statutory functions of the ICAC?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** Minister, in those circumstances you'd take seriously a warning from the ICAC in relation to proposed policies which, if implemented, would be likely to increase rather than reduce corruption, would you not?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** You'd take that seriously?

**The Hon. COURTNEY HOUSSOS:** Absolutely.

**The Hon. DAMIEN TUDEHOPE:** Minister, have you read any of the 32 submissions that have been received by the social issues committee for its procurement policy inquiry?

**The Hon. COURTNEY HOUSSOS:** No, I haven't read any of the specific submissions yet. My understanding is that the submissions to that inquiry closed last week. I would certainly expect that I will be following the work of that committee closely, but I have not read every single submission in the last six days. I think you said there were 32 that were made. I do trust that the committee, particularly under the leadership of Dr Kaine, will come up with a very considered and thoughtful report, and I look forward to responding to it. That's exactly why I wrote to Dr Kaine in the first place. This is an important policy issue, and I look forward to responding to those recommendations in time.

**The Hon. DAMIEN TUDEHOPE:** Well, let me help you. Submission No. 18 is from the Independent Commission Against Corruption, and it was lodged on 18 January 2024. You have accepted that you haven't read it. One of the submissions made by the ICAC in its submission was that a local content scheme would:

- create unnecessary lobbying risks whereby parliamentarians or councillors are approached to support their local businesses.

What do you say in answer to that submission by the ICAC?

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**The Hon. STEPHEN LAWRENCE:** Point of order: I just wonder whether, as a matter of procedural fairness, the witness could be provided with a copy of the submission so that, if she needs to refer to it in order to answer the questions, she can do so.

**The Hon. CHRIS RATH:** It's tabled on the Parliament's website.

**The Hon. STEPHEN LAWRENCE:** I assume Mr Tudehope has brought copies of it, given that he's got these questions that he's clearly reading out, so he must be ready.

**The CHAIR:** Just for clarity, have the submissions been published?

**The Hon. DAMIEN TUDEHOPE:** Yes, it's on the website.

**The Hon. SARAH MITCHELL:** You can google it.

**The Hon. Dr SARAH KAINE:** Yes, but it doesn't mean it's here today, does it?

**The CHAIR:** It doesn't mean it's here today, but if Mr Tudehope wants to table the document so that the Minister can refer to it—

**The Hon. DAMIEN TUDEHOPE:** I've asked a specific question in relation to it.

**The Hon. COURTNEY HOUSSOS:** Sorry, can you ask the question again?

**The Hon. DAMIEN TUDEHOPE:** How do you respond to the ICAC submission that a local content scheme would create unnecessary lobbying risks whereby parliamentarians or councillors are approached to support their local businesses?

**The Hon. COURTNEY HOUSSOS:** Of course I would take any submission from the Independent Commission Against Corruption seriously, and I would expect that the parliamentary inquiry would take that submission seriously. I look forward to making Government's response to the recommendation from the inquiry when it fits. It's absolutely fitting—I've been a member of a large number of parliamentary inquiries where the ICAC has made submissions and provided thoughtful and considered advice as part of that, and I think it's only appropriate that they would do that again.

**The Hon. DAMIEN TUDEHOPE:** Given this was your reference to the social issues committee, wouldn't you have thought it important to be following the submissions that have been made, because you're the Minister responsible for domestic manufacturing and procurement?

**The Hon. COURTNEY HOUSSOS:** Yes, of course I will follow.

**The Hon. DAMIEN TUDEHOPE:** So from 18 January till today, 7 March, neither you nor anyone in your office has read the submission from the ICAC lodged on 18 January in relation to the reference to the procurement?

**The Hon. SARAH MITCHELL:** It's your signature policy.

**The Hon. STEPHEN LAWRENCE:** Point of order: I suggest that that is not a question. It's extremely thinly veiled criticism and not in the nature of our task.

**The CHAIR:** I'm not going to uphold the point of order. I think it was both, which is very clever of Mr Tudehope, but there was a question there.

**The Hon. DAMIEN TUDEHOPE:** So no-one has in fact read it?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, no, you're verballing me now. You're saying that—

**The Hon. DAMIEN TUDEHOPE:** You've told me you haven't read it.

**The Hon. COURTNEY HOUSSOS:** That's true. I'm being—

**The Hon. Dr SARAH KAINE:** Point of order: According to the guidelines on budget estimates hearings, I understand that we shouldn't be considering the proceedings in other committees. While you're allowed to cover the general area, this is getting very specifically to submissions that haven't yet been considered by the committee. I don't think it's appropriate that they be canvassed here before we've even had a chance to deal with them appropriately in the committee.

**The Hon. SARAH MITCHELL:** To the point of order: This is talking about one of the Government's signature policies in the lead-up to the election and, indeed, now under the control of this Minister. It's about local content and procurement. It's entirely within order to ask about that at budget estimates.

**The Hon. Dr SARAH KAINE:** To the point of order—

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**The Hon. BOB NANVA:** To the point of order—

**The CHAIR:** Dr Kaine on the point of order.

**The Hon. Dr SARAH KAINE:** As I did say in my first point of order, the general topic, of course, is well within the scope of the hearing. The actual particulars of submissions to an inquiry that we're yet to consider are not within that scope.

**The Hon. BOB NANVA:** Chair, it may assist—there is a Clerk's memorandum dated 20 June 2001: Advice regarding questions in budget estimates with respect to committees are the terms of reference and the content of questions.

**The Hon. SARAH MITCHELL:** Have you got a copy of that with you there, Bob?

**The CHAIR:** I was unaware, and if that is the advice from the—

**The Hon. DAMIEN TUDEHOPE:** To the point of order: These are questions in relation not to the findings of the committee or the evidence being canvassed by the committee; this is a submission made to the committee by the ICAC that this Minister is now saying she doesn't know about.

**The Hon. Dr SARAH KAINE:** It is evidence.

**The Hon. DAMIEN TUDEHOPE:** It is relevant to the manner in which she conducts her portfolio.

**The CHAIR:** Yes, it may be relevant, but if there's been a determination that's in the guidelines—if you could move on to some other questions, Mr Tudehope, I'll get some advice from the secretariat, those can be brought to my attention, and I'll make a ruling.

**The Hon. DAMIEN TUDEHOPE:** Minister, the ICAC goes on to say that the local content scheme, which you are an advocate of, could be used to mask a conflict of interest between a local supplier and an agency decision-maker.

**The Hon. STEPHEN LAWRENCE:** Point of order—

**The Hon. Dr SARAH KAINE:** Point of order—

**The CHAIR:** Dr Kaine on a point of order.

**The Hon. Dr SARAH KAINE:** You've just asked that line of questioning is ceased until such time as you've sought advice from the secretariat, and Mr Tudehope has clearly flouted that ruling and asked the same question.

**The Hon. DAMIEN TUDEHOPE:** To the point of order: This is pertinent to the way in which she administers her portfolio.

**The CHAIR:** Order! Yes, I understand that, Mr Tudehope—

**The Hon. SARAH MITCHELL:** You can't duck and weave.

**The CHAIR:** —but there has been a point of order raised which I am getting some advice on as to whether or not that line of questioning fits within the resolution in terms of procedural fairness and whether or not the activities of another committee can be subject to inquiry by this Committee. I'm not ruling it out at the moment; I'm just getting some advice.

**The Hon. DAMIEN TUDEHOPE:** Let me ask it in a different way then. Minister, if in fact the ICAC had concerns in relation to local content schemes, would you be concerned about that? I think your answer earlier was yes.

**The Hon. STEPHEN LAWRENCE:** Point of order—

**The Hon. DAMIEN TUDEHOPE:** If they had concerns—

**The CHAIR:** A point of order has been taken. Mr Lawrence on a point of order.

**The Hon. STEPHEN LAWRENCE:** I would suggest that Mr Tudehope is not able to get around what you have said, Chair, in terms of deferring that question, by a rhetorical device of putting something in the hypothetical. He's clearly flouting your ruling. He should move on to a different topic and then he can return to this topic after the ruling.

**The Hon. SARAH MITCHELL:** No, we get to decide.

**The Hon. STEPHEN LAWRENCE:** It's a transparent flouting of what's occurred.

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**The Hon. SARAH MITCHELL:** To the point of order: There have been other hearings held in this budget estimates period where questions have been asked about topics that are currently being considered by committees. One example would be the treatment of students with disability in education. We have a current inquiry happening in our portfolio committee for that. There were questions put to the education Minister about that. If what the Government are trying to do is say that any particular committee subject is off limits for a budget estimates hearing, that is a farce of the highest order. We are allowed to ask questions about Government policy. This is a key Government policy under the responsibility of this Minister.

**The Hon. Dr SARAH KAINE:** To the point of order—

**The Hon. STEPHEN LAWRENCE:** Further to the point of order: That's fine. That might be right, but, as I understood your ruling, you had asked Mr Tudehope to defer this questioning until you ruled. It might be that Ms Mitchell is correct, but I think Mr Tudehope should comply with what was, in effect, a ruling and just defer his question. I'm sure he's got lots of other things, and then we can return to it after the ruling.

**The CHAIR:** To provide some clarity, I've read the rules governing questions, and it does say:

Questions asked during the Budget Estimates hearings should not attempt to debate the unreported proceedings of other current committee inquiries.

**The Hon. DAMIEN TUDEHOPE:** And I'm not doing that.

**The CHAIR:** I think you are.

**The Hon. DAMIEN TUDEHOPE:** With respect, Chair, I'm asking the Minister—

**The CHAIR:** Order! You are asking about a specific submission, about whether or not the Minister has read it, whether or not her agencies have read it, her officials—

**The Hon. DAMIEN TUDEHOPE:** I'll withdraw those questions.

**The CHAIR:** Just to be clear, the governing area—the 4.5—says they "should not attempt to debate the unreported proceedings of other current committee inquiries", and I would put that those submissions are the proceedings of those unreported inquiries. So the questions—that may have been the practice previously but—

**The Hon. SARAH MITCHELL:** I think you're getting some advice, Chair.

**The CHAIR:** I am getting some advice.

**The Hon. DAMIEN TUDEHOPE:** This has taken up a fair bit of time. You'd be happy about that, Minister.

**The Hon. COURTNEY HOUSSOS:** I'm happy to answer your questions, Mr Tudehope.

**The Hon. SARAH MITCHELL:** Well, now you know that ICAC has concerns, what do you think about it?

**The Hon. DAMIEN TUDEHOPE:** Now that you know that ICAC has concerns—

**The Hon. SARAH MITCHELL:** There you go; there is a solution.

**The Hon. DAMIEN TUDEHOPE:** And submissions, by the way, aren't proceedings.

**The Hon. SARAH MITCHELL:** You've just set up inquiries into things you don't want to talk about. This is a reported proceeding.

**The CHAIR:** I've just had some advice from the secretariat. Proceedings do not capture submissions.

**The Hon. DAMIEN TUDEHOPE:** Thank you, Chair.

**The Hon. STEPHEN LAWRENCE:** That's all you had to do. You just had to wait for the ruling. It's easy.

**The CHAIR:** The questions are in order.

**The Hon. DAMIEN TUDEHOPE:** Minister, if in fact the ICAC in its submission says, "local content schemes could be used to mask a conflict of interest between a local supplier and an agency decision-maker", would you have concern in relation to that particular observation?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, this is a submission that is made to a parliamentary inquiry that is important on a large and—

**The Hon. DAMIEN TUDEHOPE:** I'm asking you to answer that question.

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**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** You can ask me a question—

**The Hon. DAMIEN TUDEHOPE:** I'm asking you to answer that question.

**The CHAIR:** Order, Mr Tudehope.

**The Hon. COURTNEY HOUSSOS:** —and I can provide you with an answer. You can be courteous enough to listen to my response.

**The Hon. DAMIEN TUDEHOPE:** Just answer the question, Minister. That'd be helpful.

**The Hon. COURTNEY HOUSSOS:** You get to ask the questions and I get to provide the answers.

**The Hon. DAMIEN TUDEHOPE:** Would you be concerned, Minister, to respond to ICAC's advice—

**The Hon. COURTNEY HOUSSOS:** You can continue to speak over me for the next three hours.

**The Hon. DAMIEN TUDEHOPE:** —that "local content schemes potentially sacrifice value for money by limiting competition and may prevent access to new products and innovative solutions"? Would you be concerned about that observation made by the ICAC in its submission?

**The Hon. COURTNEY HOUSSOS:** As I was saying before you interrupted me, this is an important and complex public policy area, and that is why we asked—or I asked—Dr Kaine's committee to take a deep look into this. These are important concerns that are raised by the ICAC, but I am not going to pre-empt the committee's work. I expect that they will come back with a considered and careful response to how to mitigate these risks and provide a way forward. But let's be clear, Mr Tudehope—

**The Hon. DAMIEN TUDEHOPE:** Let me just say, in relation to that, Minister—

**The CHAIR:** Order, Mr Tudehope.

**The Hon. COURTNEY HOUSSOS:** —we are not first movers here. If you look to Victoria, if you look to Queensland, if you look to Western Australia, they all have local content policies in place.

**The Hon. DAMIEN TUDEHOPE:** Well, Minister, might you have said this—

**The Hon. COURTNEY HOUSSOS:** This is not something that is new.

**The Hon. DAMIEN TUDEHOPE:** We lost a lot of time previously, so I need to ask you this.

**The Hon. COURTNEY HOUSSOS:** But what I have done—

**The Hon. SARAH MITCHELL:** We've got limited time.

**The Hon. COURTNEY HOUSSOS:** —is ask the parliamentary inquiry—

**The Hon. DAMIEN TUDEHOPE:** I've got limited time, Chair.

**The CHAIR:** Order! You have a lot of time, Mr Tudehope. There are a lot of other sessions.

**The Hon. DAMIEN TUDEHOPE:** On 18 January the ICAC made its submission discouraging the use of a local content scheme. On 22 February 2024, you reaffirmed that the Minns Government had an intention to establish a local content requirement. You weren't waiting for the committee to report about the complex issues. You were saying on 22 February that you were committed to doing it—no qualifications. Your press release said, "committed to doing it", no qualifications.

**The Hon. COURTNEY HOUSSOS:** Don't verbal me, Mr Tudehope.

**The Hon. BOB NANVA:** Point of order—

**The Hon. COURTNEY HOUSSOS:** Don't verbal me. What I have said—

**The Hon. SARAH MITCHELL:** This is the press release.

**The Hon. DAMIEN TUDEHOPE:** I'm reading your press release, Minister.

**The Hon. COURTNEY HOUSSOS:** What I have said—

**The Hon. DAMIEN TUDEHOPE:** It's your press release.

**The Hon. COURTNEY HOUSSOS:** Let me be clear—

**The Hon. SARAH MITCHELL:** It's your own words.

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**The CHAIR:** Order! A point of order has been taken by Mr Nanva.

**The Hon. DAMIEN TUDEHOPE:** It's your press release, Minister.

**The CHAIR:** I'll hear the point of order.

**The Hon. BOB NANVA:** Thank you, Chair. I don't believe that there was a question attached to that.

**The Hon. CHRIS RATH:** He was getting to it.

**The Hon. BOB NANVA:** It seemed to me that it was a statement—

**The Hon. STEPHEN LAWRENCE:** A tirade.

**The Hon. CHRIS RATH:** He was getting to it.

**The Hon. DAMIEN TUDEHOPE:** I got to the question.

**The Hon. BOB NANVA:** —and an inference and an imputation.

**The Hon. SARAH MITCHELL:** How is it an imputation on their own media release?

**The Hon. BOB NANVA:** While House procedures are a guide, I would suggest that Mr Tudehope has well and truly exceeded the latitude that's afforded to the questioning that can take place at budget estimates.

**The Hon. CHRIS RATH:** To the point of order: Unlike question time, the Opposition is free to ask questions that may include some degree of argument or imputations as a statement, so long as it is followed by a question. I think that point of order was taken before Mr Tudehope had indeed finished his line of questioning.

**The CHAIR:** That may be the case, Mr Tudehope, but by the time your time had expired there had not been a question, so I uphold the point of order. I will ask some questions. Minister, I am going to ask you some questions on behalf of the Redfern Legal Centre. There is a little bit of preamble at the beginning here. In a case brought by the Redfern Legal Centre in the New South Wales Supreme Court, Justice Fagan confirmed "the bare minimum" validity test for COVID fines outlined in the previous COVID fines judgement of Justice Yehia, being *Beame; Els v Commissioner of Police & Ors* [2023] NSWSC 347. The bare minimum test demands that for a penalty notice to be valid it must clearly state the relevant Act and provision relating to the offence, enabling individuals to understand the offence they are accused of committing. Following the judgment, Revenue NSW refunded 33,000 COVID penalty notices.

There was then a second court case brought by Redfern Legal Centre in the Supreme Court which dealt with the remaining 29,000 COVID fines. This was similarly upheld. We now have two judgements that confirm that penalty notices must act to meet the bare minimum validity test; that is to say that each penalty notice must have the Act or regulation that was allegedly breached. The question concerns the remaining 29,000 penalty notices covered by the second case that have not yet been repaid. Minister, will you, as the Minister responsible for Revenue NSW, ensure that the commissioner of fines honours these two New South Wales Supreme Court judgements, and withdraws and refunds all moneys paid for the remaining 29,000 COVID fines that have not been withdrawn?

**The Hon. COURTNEY HOUSSOS:** Thank you, Mr Buckingham. That's a really important question, and I note that it's on behalf of the Redfern Legal Centre. This is a very complex area of law. I'm seeing nodding from the Hon. Stephen Lawrence over here.

**The Hon. STEPHEN LAWRENCE:** I've done a few cases.

**The Hon. COURTNEY HOUSSOS:** I will acknowledge that. This is a really important issue. It obviously predates my time as Minister in terms of the actual issuing of fines, so I just make that point at the outset. The other important point to note is that I actually have no ministerial authority or discretion to withdraw those fines. That rests with the chief commissioner. I think it might be helpful for him, and perhaps Mr Smythe, to talk through this. Like I say, this is a very highly nuanced legal scenario that they have certainly been briefing me on since my very first days as Minister, because this is something that did occur under the previous Government. But I think they're best placed to actually give you a considered response.

**The CHAIR:** Sure. Mr Johnston?

**SCOTT JOHNSTON:** Mr Buckingham, I might ask Mr Smythe because I think there's a few points in the question around the facts. It would be worth giving our perspective to that, and then I can talk a bit more about where we're at.

**The CHAIR:** Sure.

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**CULLEN SMYTHE:** Thanks, Mr Chair. Principally around the second decision, I believe the one being referred to is Kosciolk versus the two commissioners—the Commissioner of Police and the Commissioner of Fines Administration. It was in relation to a slightly different issue to the matter that was dealt with in Beame and Els—or, at least, the decision of the Supreme Court was. While it did deal with a COVID fine, the question there was whether or not the court should make a particular declaration. Because the matter had been dealt with on other grounds by the Commissioner of Fines Administration and had in fact been withdrawn, the Supreme Court declined to make the declaration requested by Redfern Legal Centre.

**SCOTT JOHNSTON:** Thank you. At the end of those two matters, it is correct that after the first hearing I withdrew in the vicinity of 33,000 fines that were of a similar nature to those that were before the Supreme Court. From that period until today, we've continued to review and treat every matter on a case-by-case basis and are comfortable with that position and continue to. My view from that second hearing, as Mr Smythe explained, was that hasn't materially changed the position because it was of a different nature. The outcome of that hearing didn't give a reflection on 29,000 fines; it spoke to one matter that we dealt with in different contexts around the facts of that case.

**The CHAIR:** Because of that, because there's a different context and different cases, your position is that you will not be refunding those fines—there's no necessity to?

**SCOTT JOHNSTON:** That's correct.

**The CHAIR:** All right, thank you very much. One other one, sorry. Could you take this question on notice and provide the following statistic? Out of the 61 categories of COVID penalty notices generated by Revenue NSW, how many contain on the penalty notice, in writing, the section 10 Public Health Act? If you take that on notice, I'd appreciate that.

**SCOTT JOHNSTON:** But a point of clarification: Revenue NSW doesn't issue the fines. They're done by other authorities, but primarily, in COVID fines, police.

**The CHAIR:** Okay, maybe I will ask that on notice to them. Thank you. Minister, could you update the Committee on where the Government's Future Jobs and Investment Authorities are up to in terms of populating the authorities and potentially engaging with some of those for mining regions and getting some of that money out the door, as the Treasurer likes to say, in light of the recent closure of some of the coalmines—Russell Vale and Werris Creek? Could you update the Committee in that regard?

**The Hon. COURTNEY HOUSSOS:** Yes, certainly, Mr Buckingham. That's an excellent question and I know that it's one that you and I have discussed at length. The work of the Future Jobs and Investment Authorities is certainly well underway. I reported in the last budget estimates that I had gone up to the Hunter and held a round table up there. Since then I've been to Lithgow and held a round table—I know that you're a great supporter of their LEEP program there. Later this month I will be heading to the Illawarra to hold a similar round table with the community and, again, I will be headed up to the north-west to consult directly with the community.

What I can tell you, since the last budget estimates, is I've instructed the Department of Regional NSW to establish a dedicated unit that will support the delivery of the authorities. While we work through the process with the local community about what the structure should look like and the format of those particular authorities and how they can best use the convening power of government to plan for a post-coalmining future for these regions, we're stepping up that public service capability to make sure that they are ready to get going once we've worked with the communities to come to that decision.

**The CHAIR:** To be clear, you've established a dedicated unit to help populate those authorities. Are there any time lines for when the communities can expect to see those authorities up and populated and consulting with their communities?

**The Hon. COURTNEY HOUSSOS:** In terms of a time line that I can give you, like I say, I will be travelling to the Illawarra later this month and up to the north-west in coming months to meet with the communities directly. We made an election commitment that we would have four local authorities, and the actual structure of those we're working through. The other key timing factor for us is the establishment of the Federal net zero authority. Now that legislation is—I understand it hasn't passed the Federal Parliament. They've set that authority up within the Department of the Prime Minister and Cabinet, and we are certainly having discussions at a departmental level with the Federal Government about how we can work together, because we want to make sure that there is no needless duplication.

The Federal Government will have particular expertise and—need I flag—some funding that might be available for these particular regions that we will be able to partner with them on. But perhaps Ms Beattie might

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be able to provide a little bit more information about how we're working in partnership with the Federal Government about the creation of these local authorities.

**GEORGINA BEATTIE:** Thank you, Minister. As the Minister said, the Australian Government has committed to legislate the National Net Zero Economy Authority. But, in the meantime, they have set up a unit within the Department of the Prime Minister and Cabinet, the Net Zero Economy Agency, to establish that statutory authority. We are in regular discussions with the Commonwealth Government about what that will look like as they develop their legislation. As the Minister said, we are working very closely with them to make sure that the New South Wales coal-reliant regions—and there are four of those in New South Wales—are adequately understood by the Commonwealth Government to make sure that we can support coal workers in those regions and support those economies into the future.

**The Hon. COURTNEY HOUSSOS:** Mr Buckingham, let me just say this in closing: We have one chance to get this right. We want to partner with communities to make sure that we have authorities that are fit for purpose for the future.

**The CHAIR:** Minister, you'd be aware that there has been a successful appeal brought by the Gomeroi nation regarding the Native Title Tribunal decision to approve licences attached to the Narrabri Gas Project. I know it has only happened in the last day or two. What's the Government's response to that decision and what are the implications for the Narrabri Gas Project from that?

**The Hon. COURTNEY HOUSSOS:** I'm certainly aware of the decision. It was handed down late yesterday, I think at about 5.00 p.m. It upheld the appeal. The State is a party to the proceedings, which are ongoing. This is a very complex decision made by three judges, and I don't think that it's necessarily helpful for that process, going forward, for me to provide an ongoing commentary. But we are certainly aware of the judgement. We're working through those implications, and we will certainly be making public commentary when that's appropriate.

**The Hon. DAMIEN TUDEHOPE:** I will return to the question. You may have had time to think about this again, Minister. On 18 January 2024 the ICAC made a submission to your inquiry or the inquiry for which you set the terms of reference. They specifically advised discouraging the use of local content schemes. On 22 February, you reaffirmed the Minns Government's intention to establish local content requirements. Surely you're not going to tell this Committee that you will ignore the advice of ICAC?

**The Hon. Dr SARAH KAINE:** I think you're really mischaracterising it.

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, you're verballing me again. I am absolutely not—

**The Hon. DAMIEN TUDEHOPE:** I am asking you a question.

**The Hon. Dr SARAH KAINE:** That's not what they say.

**The CHAIR:** Order! The Minister is two words into her answer. Let's not treat our witnesses with discourtesy and interrupt them. Minister, you have the call.

**The Hon. COURTNEY HOUSSOS:** Thank you, Chair. I am absolutely not disregarding the advice of ICAC. I will take that, and I would expect that the committee would take that, and consider that seriously. But I'm not going to pre-empt the work of the committee. Let me be clear about what our election commitment was. It was in relation to local content but, as we work through that process, I look forward to the considered recommendations that Dr Kaine's committee will be on—and I understand you're a member of that committee too.

**The Hon. DAMIEN TUDEHOPE:** Correct.

**The Hon. COURTNEY HOUSSOS:** But let's be clear about why we have made these significant local commitments.

**The Hon. DAMIEN TUDEHOPE:** Minister, I have limited time.

**The Hon. COURTNEY HOUSSOS:** And that's because you were part of the Government that consistently sent large projects offshore—

**The CHAIR:** Order!

**The Hon. SARAH MITCHELL:** People aren't interested in this any more. Didn't you read the Herald?

**The Hon. DAMIEN TUDEHOPE:** Point of order—

**The Hon. COURTNEY HOUSSOS:** —important local procurement projects.

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**The CHAIR:** Minister—

**The Hon. DAMIEN TUDEHOPE:** I've asked a specific question.

**The Hon. Dr SARAH KAINE:** You can't tell her how to answer it.

**The Hon. DAMIEN TUDEHOPE:** The Minister shouldn't be given the latitude of just making a speech in relation to—the question was specific.

**The Hon. Dr SARAH KAINE:** And she was answering it.

**The Hon. DAMIEN TUDEHOPE:** It was directed to the ICAC submission, and this is now completely outside that question.

**The CHAIR:** I won't uphold that point of order. It wasn't completely outside the remit of the question.

**The Hon. DAMIEN TUDEHOPE:** Minister, I'll move on.

**The CHAIR:** The Minister was being relevant to the question and can answer in the form that she sees fit. Minister, you have the call.

**The Hon. COURTNEY HOUSSOS:** Thank you, Mr Buckingham.

**The Hon. DAMIEN TUDEHOPE:** I'll move on, Minister. When did you first become aware of the Treasury Laws Amendment (Foreign Investment) Bill 2024?

**The Hon. COURTNEY HOUSSOS:** This is the Federal legislation?

**The Hon. DAMIEN TUDEHOPE:** Yes.

**The Hon. COURTNEY HOUSSOS:** It was introduced in the Federal Parliament and I think I became aware of that either later that day or the next day after it had been—

**The Hon. DAMIEN TUDEHOPE:** It has passed the House of Representatives, has it not?

**The Hon. COURTNEY HOUSSOS:** Yes, my understanding is that it is to be debated in the Federal Senate shortly.

**The Hon. DAMIEN TUDEHOPE:** Correct. On 1 December 2023 in the MYEFO, the Commonwealth made this observation:

The Government will clarify the uncertainty associated with the interaction between foreign investment fees, and similar state and territory property taxes, and double tax agreements implemented domestically by the *International Tax Agreements Act 1953*, to ensure that the foreign investment fees and similar imposts prevail. This measure will have retrospective effect.

Were you aware of that when you read the MYEFO?

**The Hon. COURTNEY HOUSSOS:** Yes, I am aware of the announcement that the Federal Government made. I am aware that the announcement is retrospective.

**The Hon. DAMIEN TUDEHOPE:** And you're aware that the input of that legislation will have retrospective effect?

**The Hon. COURTNEY HOUSSOS:** Yes, I am aware of that.

**The Hon. DAMIEN TUDEHOPE:** So New South Wales's foreign surcharge duty and foreign surcharge land tax—which has been imposed on citizens of New Zealand, Finland, Germany, India, Japan, Norway, South Africa and Switzerland—will apply to that surcharge duty, will it not?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** Did you consult with the Albanese Labor Government about the interaction between international tax treaties and State property taxes on foreigners before deciding to refund \$52.6 million?

**The Hon. COURTNEY HOUSSOS:** This is a rather audacious question from you, Mr Tudehope, but one that I will answer nonetheless. There is no doubt that New South Wales has refunded more than \$50 million after your Government bungled the drafting of the foreign property tax surcharge. Let's just go through a little bit of history here, which is that New South Wales was not entitled to collect the money, as you said, because we had existing tax treaties with a number of countries. That was a decision taken to refund that money by Revenue NSW, but that was a decision that was made because they weren't legally allowed to collect the money in the first place.

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**The Hon. DAMIEN TUDEHOPE:** Similar provisions exist in Victoria, Queensland and the ACT. None of those jurisdictions have refunded money, have they?

**The Hon. COURTNEY HOUSSOS:** I'm not responsible for the revenue—

**The Hon. DAMIEN TUDEHOPE:** Similar provisions were—

**The Hon. COURTNEY HOUSSOS:** You can ask me a question and I can provide you an answer.

**The Hon. DAMIEN TUDEHOPE:** Are you aware that similar provisions exist?

**The Hon. COURTNEY HOUSSOS:** You can continue to speak over me. Okay, that's fine.

**The Hon. DAMIEN TUDEHOPE:** Are you aware that similar provisions exist?

**The CHAIR:** Order!

**The Hon. BOB NANVA:** Point of order—

**The CHAIR:** No, I don't need to hear it. Mr Tudehope, we must treat our witnesses with courtesy. You've asked a question that I'm very interested in. The Minister is attempting to answer it, if you could afford her the courtesy of listening to the answer to the question you asked. Minister.

**The Hon. DAMIEN TUDEHOPE:** Are you aware that those other jurisdictions have similar provisions, Minister?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** When was the last date on which a refund was made to a taxpayer in New South Wales in relation to surcharge duty to a taxpayer from one of those foreign jurisdictions?

**The Hon. COURTNEY HOUSSOS:** I'm sure, if Mr Johnston can provide you with an answer—

**The Hon. DAMIEN TUDEHOPE:** I can ask the commissioner later on this afternoon, but are you aware of the last date?

**The Hon. COURTNEY HOUSSOS:** As a former finance Minister, you would understand that I'm not the one signing the cheques as they go out. That is the responsibility of Mr Johnston. I can hand to the chief commissioner to provide you with an accurate answer.

**The Hon. DAMIEN TUDEHOPE:** I'll ask him later on today. I've satisfied myself that you're not aware.

**The Hon. COURTNEY HOUSSOS:** No, Mr Tudehope, you don't get to verbal me in here.

**The Hon. DAMIEN TUDEHOPE:** Well, you can answer it if—

**The Hon. COURTNEY HOUSSOS:** You don't get to verbal me.

**The Hon. DAMIEN TUDEHOPE:** You will answer, if you are aware, Minister.

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, what I am telling you is that we have refunded more than \$50 million because, as the current law stands—the law that was drafted by your Government—we were legally required to give back that money. It was not our money to hold onto. This is yet another legacy issue that we have inherited from your Government. What we have done, what Revenue NSW has done when they made the assessment that it was not legal for them to hold onto that money, they have refunded that money. I welcome the Federal Government and their decision to fix up this mess that you've created. I'm delighted that our Federal counterparts are coming in to help as well. But, as it stands, that legislation has not passed through the Federal Parliament and, as it stands today, that money is not legally ours to collect.

**The Hon. DAMIEN TUDEHOPE:** So are you still refunding money?

**The Hon. COURTNEY HOUSSOS:** You could have taken those steps when you were the finance Minister to correct this error, but you didn't. I welcome the fact that Revenue NSW has done that.

**The Hon. DAMIEN TUDEHOPE:** Minister, are you aware that the Victorian Government has not made any refunds in respect of their identical legislation?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** And that the New South Wales Government is the only government to have made refunds?

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**The Hon. COURTNEY HOUSSOS:** Yes, and the reason why we did that, Mr Tudehope—it's probably helpful for Mr Johnston to give you the exact course of events.

**The Hon. DAMIEN TUDEHOPE:** He can prepare for my questions this afternoon.

**The Hon. BOB NANVA:** Point of order: Chair, it is perfectly in order for a Minister to refer to an officer to elucidate an answer, in accordance with very longstanding convention in budget estimates hearings.

**The CHAIR:** Yes, I uphold the point of order. The Minister is seeking some elucidation from the official, as the honourable member has suggested, which will inform the hearing. Mr Johnston.

**The Hon. DAMIEN TUDEHOPE:** Chair, I have indicated that I will be asking those officials for an elucidation this afternoon. I have limited time with the Minister this morning, and my questions are directed to the Minister. Minister, I just want to put this to you: In relation to the payments that have been made, were any payments made, to your knowledge, since December last year, to foreign investors?

**The Hon. COURTNEY HOUSSOS:** Let's be clear about why that money was refunded, Mr Tudehope.

**The Hon. SARAH MITCHELL:** That wasn't the question.

**The Hon. DAMIEN TUDEHOPE:** Did you hear my question?

**The Hon. STEPHEN LAWRENCE:** Point of order: I note the time, but also it's entirely the Minister's prerogative how she responds, and she's had about three seconds of response and then she's interrupted.

**The Hon. SARAH MITCHELL:** She's also got to be relevant to the question.

**The CHAIR:** I uphold the point of order. The Minister is perfectly within her rights to provide some context to the answer she is providing, and it's discourteous and against the resolution of procedural fairness adopted by the House to not afford the Minister the courtesy of listening to the answer to the question you've asked.

**The Hon. COURTNEY HOUSSOS:** Thank you, Chair. It might be helpful to say that Revenue was actually asked to make this ruling in February 2023. I'm not sure if that was when you were still the Minister, Mr Tudehope, but that is how far back this issue dates.

**The Hon. DAMIEN TUDEHOPE:** Yes. If the repayments were made, were they not after the date that you became the Minister?

**The Hon. COURTNEY HOUSSOS:** Yes, the repayments were made because—

**The Hon. DAMIEN TUDEHOPE:** Did you—

**The Hon. COURTNEY HOUSSOS:** You can continue to ask me questions and I can provide you with answers, or you can continue to talk over me.

**The Hon. DAMIEN TUDEHOPE:** I'll ask the questions. If you don't want to answer them, don't answer them, but don't make patronising comments.

**The Hon. COURTNEY HOUSSOS:** No, you're not going to verbal me. I'm answering the questions and you're cutting me off from answering the questions. Let me tell you this: Until 30 November—that was the cut-off date for refunds for those, but individuals can still submit a refund application. As it stands, the law has not changed from when you were the finance Minister, when your Government drafted these faulty provisions, and—

**The Hon. DAMIEN TUDEHOPE:** In the same way as Victoria, Minister?

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** That's a matter for Victoria. What I'm concerned about is—

**The Hon. DAMIEN TUDEHOPE:** Had Victoria made repayments?

**The Hon. COURTNEY HOUSSOS:** You have asked me the same questions over and over again here, and I'm telling you, Victoria haven't—

**The Hon. DAMIEN TUDEHOPE:** Minister—

**The Hon. Dr SARAH KAINE:** Point of order: I think you probably know what it is. Mr Tudehope keeps speaking over the Minister when she is trying to answer questions or, indeed, just keeps repeating the questions because he is not happy with the answer, which is not a reason to keep going over them.

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**The CHAIR:** Yes, I uphold the point of order. Mr Tudehope, you were interjecting by asking questions you had previously asked and which the Minister had responded positively to and said yes to, so that was not a helpful interjection. The Minister should be afforded the time to provide a comprehensive answer if she wants to. Please desist from interjecting while the Minister is providing an answer.

**The Hon. DAMIEN TUDEHOPE:** The Victorian Government hasn't made any repayments?

**The Hon. COURTNEY HOUSSOS:** You asked me that already—

**The Hon. DAMIEN TUDEHOPE:** And you agree with it. So are you aware, Minister—

**The Hon. COURTNEY HOUSSOS:** —and I said yes. But I'm not here to answer questions on behalf of what the Victorian Government chooses to do. I'm here to answer questions on the basis of what the New South Wales Government has decided to do, and the reason why the New South Wales Government has taken this course of action—that Revenue NSW has begun to refund that money—is because Revenue, whilst your Government was in power, was asked to make a ruling on the issue by an affected individual, and they came to the conclusion that the money they were holding was illegal. Do you dispute that they should not be refunding? Is that your position, Mr Tudehope, that you're putting to this Committee—that when Revenue NSW comes to a position that they are holding money that they should not, that they should not refund that money?

**The Hon. DAMIEN TUDEHOPE:** I'm asking the questions, Minister.

**The Hon. Dr SARAH KAINE:** It's a relevant one to answer.

**The Hon. DAMIEN TUDEHOPE:** Minister, are you aware that the Commonwealth Government under both Labor and Liberals and The Nationals has always maintained the view that international tax agreements were not intended to prevent the Commonwealth or the States from imposing specific taxes on foreigners, including State property taxes such as foreign surcharge land tax and foreign surcharge purchase duty?

**The Hon. Dr SARAH KAINE:** It's your mess.

**The Hon. DAMIEN TUDEHOPE:** Did you make any submission to your Commonwealth counterparts to fix what you say was a problem in the interpretation of the Treasury Laws Amendment (Foreign Investment) Bill?

**The Hon. COURTNEY HOUSSOS:** Sorry, there was a very long lead-in to that question.

**The Hon. DAMIEN TUDEHOPE:** I'm suggesting to you that there is—

**The Hon. COURTNEY HOUSSOS:** Were you reading from something then, Mr Tudehope?

**The Hon. DAMIEN TUDEHOPE:** There is a convention, by both the Labor and the Liberal governments, that under international tax treaties there was never any suggestion that States would be prevented from implementing State tax laws and that tax treaties were not intended to cover State taxes.

**The Hon. COURTNEY HOUSSOS:** You're asserting a convention with no documentation.

**The Hon. DAMIEN TUDEHOPE:** Do you agree with that as a proposition?

**The Hon. COURTNEY HOUSSOS:** You can ask me a question, Mr Tudehope, and I can provide you with an answer.

**The Hon. DAMIEN TUDEHOPE:** Do you agree with that as a proposition?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, you have asserted that that is a convention between Labor and Liberal governments. I'm asking you where that convention—are you quoting from something? Is this your learned opinion that I'm providing a response to?

**The Hon. DAMIEN TUDEHOPE:** Do you agree with that as a proposition or not? That's all I'm asking you.

**The Hon. COURTNEY HOUSSOS:** You made an assertion and then you're asking me to agree to it and I'm asking you to provide me with some documentation as to where you're making that assertion from.

**The Hon. DAMIEN TUDEHOPE:** Did you make any submission to the Commonwealth in relation to the amendment of the law to ensure that State taxes were not impacted by foreign treaties?

**The Hon. COURTNEY HOUSSOS:** Sorry, you are asking whether I made—

**The Hon. DAMIEN TUDEHOPE:** Yes.

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**The Hon. COURTNEY HOUSSOS:** Sorry, let me just be clear. You have had a long run-in for this line of questioning and I'm just trying to get a clear understanding of what you're asking me here.

**The Hon. DAMIEN TUDEHOPE:** Did you make any representations to the Commonwealth Government in respect of amending the law to ensure that State taxes were exempted from foreign tax treaties?

**The Hon. COURTNEY HOUSSOS:** I don't recall making any formal representations, but I have to say I have really fruitful conversations with my federal colleagues, the Federal Treasurer, the Federal finance Minister, on regular occasions, and indeed I have been in contact with my Federal counterparts on this issue.

**The Hon. DAMIEN TUDEHOPE:** So once this law passes, do you have any processes for the purposes of recovering the \$52.6 million which has been refunded?

**The Hon. COURTNEY HOUSSOS:** No.

**The Hon. DAMIEN TUDEHOPE:** So this money, which has been paid by your Government, which could have been spent on nurses and teachers, Minister, is in fact not able to be recovered?

**The Hon. COURTNEY HOUSSOS:** I'll tell you what, there have been a few road to Damascus conversions from this particular member as he's departed from Government to Opposition and this has got to be one of them. You are attacking the fact that we have refunded money and we should be clawing that back?

**The Hon. DAMIEN TUDEHOPE:** No other jurisdiction did.

**The Hon. COURTNEY HOUSSOS:** The scale of waste and mismanagement that we have uncovered, that you oversaw during your time in Government—we are not going to be clawing back this money from individuals.

**The Hon. DAMIEN TUDEHOPE:** I won't be lectured by you, Minister, in respect of this particular provision, because you're the one who is suggesting—

**The Hon. BOB NANVA:** Point of order—

**The Hon. DAMIEN TUDEHOPE:** It was your office—

**The CHAIR:** Order! Mr Tudehope, we have a point of order from Mr Nanva.

**The Hon. BOB NANVA:** Chair, it would assist with the conduct of these proceedings if they were a question-and-answer session—

**The Hon. DAMIEN TUDEHOPE:** Correct.

**The Hon. BOB NANVA:** —rather than a "talking over each other" session. I just ask that the courtesy be extended to the witness—

**The Hon. CHRIS RATH:** We're still waiting on the answers, though.

**The Hon. BOB NANVA:** —in accordance with paragraph 19 of the *Procedural fairness resolution*.

**The CHAIR:** Yes, it assists me in hearing the answers and Hansard in recording the answers and questions if we desist from interjecting and we make sure we treat all the witnesses, and each other generally, with courtesy.

**The Hon. DAMIEN TUDEHOPE:** So, Minister, would you agree that if you were able to recover that money or had not paid that money that you may have been able to engage 506 graduate police officers? Is that right?

**The Hon. Dr SARAH KAINE:** I think he's asking that we illegally keep the money.

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, the audacity of that question is unbelievable.

**The Hon. SARAH MITCHELL:** You can't debate the question.

**The Hon. DAMIEN TUDEHOPE:** Well, it's your submission, isn't it—

**The Hon. Dr SARAH KAINE:** It's amazing.

**The Hon. COURTNEY HOUSSOS:** We have refunded money that was collected during your time in government because it was illegally collected and now you want to come in here and question us about the priorities that we've made.

**The Hon. DAMIEN TUDEHOPE:** I'm suggesting you should have got clarification, Minister.

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**The Hon. Dr SARAH KAINE:** It's pretty impressive.

**The Hon. COURTNEY HOUSSOS:** I can tell you what we have done. We are absolutely cleaning up the enormous mess that your Government has left, and this is yet one of the many issues that we are working on.

**The Hon. DAMIEN TUDEHOPE:** Well, Minister—

**The Hon. COURTNEY HOUSSOS:** We have refunded the money, because of your blunder. I welcome the decision by the Federal Government to legislate to fix your problem—

**The Hon. DAMIEN TUDEHOPE:** No, Minister, we have—

**The Hon. COURTNEY HOUSSOS:** —and once that legislation has passed, we will no longer need to refund that money.

**The Hon. DAMIEN TUDEHOPE:** Would you agree with me, Minister, that it may have been much more prudent to have followed the lead of Victoria in relation to this—

**The Hon. Dr SARAH KAINE:** You want us to follow Victoria's lead? I'll take that.

**The Hon. DAMIEN TUDEHOPE:** —and gotten clarification from the Commonwealth before you refunded that money?

**The Hon. COURTNEY HOUSSOS:** Well, that was a decision—

**The Hon. DAMIEN TUDEHOPE:** That would have allowed you to employ those 500 additional police officers, wouldn't it, Minister?

**The Hon. COURTNEY HOUSSOS:** The decision to begin refunding the money occurred when you were—or maybe you were no longer the finance Minister at that point.

**The Hon. Dr SARAH KAINE:** You might have had to resign.

**The Hon. COURTNEY HOUSSOS:** All I know is it was February 2023 when that decision was taken by Revenue NSW. I believe, as the Minister now responsible, that is the correct course of action. I welcome the decision by the Federal Government to correct your mistake, but I am not going to be clawing back that money from individuals. It was your mistake. Your Government—

**The Hon. DAMIEN TUDEHOPE:** It was your mistake, Minister, not to be more prudent in relation to getting clarification from the Commonwealth, was it not?

**The Hon. COURTNEY HOUSSOS:** If we want to talk about prudent economic management, we can sit here all afternoon and I can talk about the billion dollars that the Auditor-General found that your Government spent on consultants, with little planned for oversight, in a wasteful way. We can talk about the programs that were headed for blowouts. We can talk about the 1,112 nurses that you provided ongoing funding for—

**The Hon. DAMIEN TUDEHOPE:** And we can talk about lack of vision and lack of delivery, Minister—but that's fine.

**The Hon. COURTNEY HOUSSOS:** If you want to talk about prudent economic management, why don't you ask me a question about the budget?

**The Hon. DAMIEN TUDEHOPE:** Did you in fact—would you agree with this? You've prematurely refunded that tax money, haven't you?

**The Hon. COURTNEY HOUSSOS:** No.

**The Hon. DAMIEN TUDEHOPE:** You haven't? Because, in fact, that same amount of money, if you were in Victoria, would now be available, would it not, to employ police officers and teachers? If you were in Victoria, that money would be available. Now you're telling us that it has been repaid to foreign investors who you will not seek to recover it from; in another jurisdiction they will.

**The Hon. COURTNEY HOUSSOS:** I'm not sure what your question is there, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Do you agree that it would have been prudent to seek clarification from the Commonwealth?

**The Hon. COURTNEY HOUSSOS:** No. And, in fact, you could have done that if you were the Minister responsible, because that was when this decision was first made. We are living with the consequences of the poor decisions you took, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Well, what I'm suggesting to you, Minister, is—

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**The Hon. COURTNEY HOUSSOS:** The failure in drafting occurred under your Government, Mr Tudehope. It didn't occur under our Government. It's our Federal Labor colleagues who are fixing up this mess—

**The Hon. DAMIEN TUDEHOPE:** Tell me how you would have drafted it differently, Minister.

**The Hon. COURTNEY HOUSSOS:** —through passing this legislation through the Federal Parliament. I mean, Mr Tudehope, is it actually your submission to this Committee that when Revenue NSW formed the view that they were illegally holding the money as a result of a representation from an individual in February 2023—and I don't know the date; I don't know if you were the Minister or not at that stage. But is it your submission that they should have held onto that money that was illegally collected?

**The Hon. DAMIEN TUDEHOPE:** I put it to you, Minister, that when you became the Minister you may have taken the view that it would be prudent to get advice in relation to that issue—about clarification.

**The Hon. COURTNEY HOUSSOS:** I take the view that it would have been prudent for you, when you were drafting the legislation, to do it—

**The Hon. DAMIEN TUDEHOPE:** Well, you may. You may take that view. I am asking you, Minister—

**The Hon. COURTNEY HOUSSOS:** —or for you to seek that clarification when the complaint was originally made.

**The Hon. DAMIEN TUDEHOPE:** You don't have to debate it with me, Minister.

**The Hon. SARAH MITCHELL:** You're meant to answer.

**The Hon. COURTNEY HOUSSOS:** What I can say is I am confident that Revenue NSW refunded money that they were not entitled to hold onto, as a result of a complaint.

**The Hon. DAMIEN TUDEHOPE:** Minister, what are the implications of the Court of Appeal decision in the Integrated Trolley Management case?

**The Hon. COURTNEY HOUSSOS:** This was a case that was handed down, I think, earlier this week.

**SCOTT JOHNSTON:** It was December.

**The Hon. COURTNEY HOUSSOS:** Sorry, there was a newspaper report earlier this week. But perhaps Mr Johnston can provide you with the—

**The Hon. DAMIEN TUDEHOPE:** I will ask him this afternoon about this, Minister. Have you been briefed in relation to what the implications of that case are?

**The Hon. COURTNEY HOUSSOS:** I think that is still the subject of ongoing legal proceedings. But I'd take advice on that.

**The Hon. DAMIEN TUDEHOPE:** No, I think the decision has been made, Minister.

**The Hon. COURTNEY HOUSSOS:** No, I'm aware the decision has been made, but I don't think it's concluded. Mr Johnston might have—

**SCOTT JOHNSTON:** The outcome confirmed the chief commissioner's position.

**The Hon. DAMIEN TUDEHOPE:** It was upheld?

**SCOTT JOHNSTON:** We won that one, yes.

**The Hon. DAMIEN TUDEHOPE:** Thank you, Mr Johnston. In relation to ITM, of course, you are aware that they are now in administration?

**The Hon. COURTNEY HOUSSOS:** Yes, I am.

**The Hon. DAMIEN TUDEHOPE:** Are you concerned about the implications for the appointment of administrators to that company?

**The Hon. COURTNEY HOUSSOS:** That's a decision of a private company. I don't think—

**The Hon. DAMIEN TUDEHOPE:** They're a publicly listed company, Minister.

**The Hon. COURTNEY HOUSSOS:** I don't think it's particularly helpful for me to provide commentary on the consequences of a legal ruling that upheld Mr Johnson's position.

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**The Hon. DAMIEN TUDEHOPE:** Minister, how much payroll tax will be foregone in the event of the administration of this company or the liquidation of this company?

**The Hon. COURTNEY HOUSSOS:** We're not allowed to disclose the individual taxation arrangements of individuals. You would know, Mr Tudehope, as a former finance Minister, that there are quite strict rules. Indeed, we strengthened the rules last year in relation to the privacy provisions for individuals.

**The Hon. DAMIEN TUDEHOPE:** When proceedings were commenced by the commissioner to recover payroll tax from this particular company, how much payroll tax was sought to be recovered in those proceedings?

**The Hon. COURTNEY HOUSSOS:** That's a very specific question about a particular court case. I'm sure Mr Johnston can provide you with—

**The Hon. DAMIEN TUDEHOPE:** It's the same question.

**The Hon. COURTNEY HOUSSOS:** You can ask me questions and I can provide you with answers or you can continue to talk over me, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** It is the same question, Minister. How much payroll tax will be foregone in terms of the administration or liquidation of this company if, in fact, they are placed in liquidation?

**The Hon. COURTNEY HOUSSOS:** I'm happy to take that on notice or refer to Mr Johnston to get you an answer in relation to the specifics on that.

**The Hon. DAMIEN TUDEHOPE:** I'll ask you later on this afternoon, Mr Johnston. You can prepare, potentially, for that question.

**SCOTT JOHNSTON:** Sure.

**The Hon. DAMIEN TUDEHOPE:** You'd agree with this: It is important that Revenue NSW collects and retains, for the use of taxpayers, moneys which are properly due to the people of New South Wales?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. DAMIEN TUDEHOPE:** In the same way as money which is sought to be assessed in relation to foreign investor surcharge duty, Minister? Would you agree with that?

**The Hon. COURTNEY HOUSSOS:** Sorry, that was a very long and winding question. Can you restate the question?

**The Hon. DAMIEN TUDEHOPE:** In the same way as foreign investor surcharge duty is also important to be recovered from those taxpayers in New South Wales.

**The Hon. COURTNEY HOUSSOS:** No, you're drawing two different distinctions here. What we have spoken about at length this morning is money that was collected by Revenue NSW that was not legal for them to retain under our international tax treaties. Now you're drawing a comparison with payroll tax, which is legally required to be collected and to be paid. My understanding is that the decision that Revenue NSW made in order to collect that payroll tax has been upheld by a court.

**The Hon. DAMIEN TUDEHOPE:** And may not be recovered.

**The Hon. COURTNEY HOUSSOS:** I don't think you are comparing apples with apples here, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Minister, of the 44 publicly identified sites where asbestos-contaminated mulch has been found, how many of these sites was contaminated mulch procured by the New South Wales Government?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, this is a really important issue, and I say at the outset that New South Wales takes a zero-tolerance approach to asbestos. There have been a range of measures that have been put in place in order to provide a timely response on such an important issue.

**The Hon. DAMIEN TUDEHOPE:** How much in total has the New South Wales Government spent on purchasing and laying mulch now found to contain asbestos?

**The Hon. COURTNEY HOUSSOS:** Sorry, how much has the New South Wales Government spent? I'd have to come back to you on notice with the specifics of that particular question. The focus very much of the Government at this time, and of the Asbestos Taskforce that has been set up and is meeting regularly, is the immediate response and to make sure that the mulch is removed as quickly as possible. I say this: Questions in

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relation to the investigation are really best directed to the Minister for the Environment, who's over in the Macquarie Room right now. This is something that is being spearheaded by the EPA, and it's the largest investigation that they've undertaken in a decade, I'm told.

**The Hon. DAMIEN TUDEHOPE:** But it is a procurement issue, because this is a New South Wales Government procurement issue. The two questions that I'm raising with you—

**The Hon. COURTNEY HOUSSOS:** Sorry, I'll just clarify there, Mr Tudehope. There is a procurement element to that but, as we canvassed extensively at the last budget estimates and as you would know as a former finance Minister, we operate under a devolved procurement framework. So the Procurement Board that reports to me is responsible for setting the policies and the framework, but the actual procuring occurs within the different agencies and the departments themselves.

**The Hon. DAMIEN TUDEHOPE:** The two questions: How much was spent on the purchasing and laying of mulch, which has now been found to contain asbestos?

The second question, which I anticipate you will take on notice, is the amount being spent by the New South Wales Government on removing contaminated mulch.

**The Hon. COURTNEY HOUSSOS:** Yes, I'd have to come back to you. I just make this point, Mr Tudehope: This is a really important issue.

**The Hon. DAMIEN TUDEHOPE:** I agree.

**The Hon. COURTNEY HOUSSOS:** The focus of the Government has absolutely been on the response, and that's why we set up the Asbestos Taskforce so quickly. You asked about my responsibilities in relation to procurement. I'd just say this: NSW Procurement has requested the Procurement Board and the procurement leadership group agencies across the government to assist the EPA with their supply chain investigations. As part of the framework of policies that the Procurement Board sets, it includes the supplier code of conduct. Let's be really clear: This is illegal. It is illegal to supply mulch that contains asbestos. My understanding is that that will be in contravention of the supplier code of conduct.

**The Hon. DAMIEN TUDEHOPE:** I agree.

**The Hon. COURTNEY HOUSSOS:** But we will work through those issues carefully, and the consequences of those. The focus of the Government is making sure that the EPA has the resources to conduct its investigation and that the mulch is removed.

**The Hon. DAMIEN TUDEHOPE:** Then let me ask you this, Minister: Why is the Greenlife Resource Recovery Facility still listed as a supplier to the New South Wales Government on Buy NSW?

**The Hon. COURTNEY HOUSSOS:** You would understand that the investigation is still underway. If you have specific questions in relation to that investigation, you should go and ask those of the Minister for the Environment.

**The Hon. DAMIEN TUDEHOPE:** Wouldn't you at least take steps to suspend them from being a supplier on the Buy NSW website?

**The Hon. COURTNEY HOUSSOS:** I'm going to be really careful about the way that I respond to this question, because it's a very important issue and I know there's a great deal of community concern in relation to it. I would say this: We want the EPA to conduct that investigation with all the abilities that it needs to. If you have specific questions in relation to that investigation, you should ask them of my ministerial colleague.

**The Hon. DAMIEN TUDEHOPE:** I'm interested in Buy NSW.

**The Hon. COURTNEY HOUSSOS:** I can tell you that we expect that in tenders and contracts, suppliers and their supply chains comply with all of those relevant codes of conduct—the supplier code of conduct and all the relevant laws. There are serious consequences. If you break those codes of conduct, you can risk losing your contracts or being removed from prequalification schemes or panel arrangements.

**The CHAIR:** Thank you, Minister. Ms Faehrmann.

**Ms CATE FAEHRMANN:** Morning, Minister.

**The Hon. COURTNEY HOUSSOS:** Good morning, Ms Faehrmann.

**Ms CATE FAEHRMANN:** Minister, at the last budget estimates, in response to a question about the strategic statement on coal, you said:

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I would expect that over the course of the next Parliament we would revisit those strategies to make sure that they were fit for purpose. ... but in the meantime it remains a document that has been published by the New South Wales Government.

Have you revisited and are you revisiting that document, in terms of being fit for purpose, since then? As you know, we've seen the passage of the net zero future bill, which is now an Act and is now in force. Is your Government revisiting John Barilaro's strategic statement on coal?

**The Hon. COURTNEY HOUSSOS:** As I have said previously, I maintain our same position, which is that we will work through these carefully and methodically, in consultation this time with the community and also with the industry. But what we are working through at the moment is the Critical Minerals and High-Tech Metals Strategy. Once that work is concluded then I expect that we will move on to, as I've said previously in questions to the House—indeed, from the Chair, I think it was—in relation to the future of gas and the future of coal.

**Ms CATE FAEHRMANN:** Remind me of the time line. You just said the critical minerals strategy. What's the time line for that?

**The Hon. COURTNEY HOUSSOS:** Submissions closed late last year. I'm just going to double-check on that one, because I want to say November but I just don't want to mislead you.

**Ms CATE FAEHRMANN:** Okay, so this year. You're basically saying this year you're focusing on one policy review, critical minerals. You're in government, potentially, for four years. Who knows what's happening after that. Minister, portfolio committees in the upper House manage to undertake three or four inquiries at a time. Surely your Government can review the strategic statement on coal and gas. You do realise how urgent this is, don't you? You do believe in climate change, Minister, don't you?

**The Hon. COURTNEY HOUSSOS:** Ms Faehrmann, you've asked—

**Ms CATE FAEHRMANN:** Firstly, do you?

**The Hon. COURTNEY HOUSSOS:** Yes.

**Ms CATE FAEHRMANN:** Do you recognise the contribution that fossil fuels are making to climate change?

**The Hon. COURTNEY HOUSSOS:** Yes.

**Ms CATE FAEHRMANN:** Yes? So you're waiting one more year—

**The Hon. COURTNEY HOUSSOS:** But, Ms Faehrmann, you've just asked me about seven questions in a row.

**Ms CATE FAEHRMANN:** No, it's one question, which is the question in relation to the strategic statement on coal. Are you revisiting it? Basically, you've come back and said this year you're going to focus on the critical minerals strategy. It's not until maybe the end of November. You said you're doing that first. I'm coming back to you, challenging that, saying, "Is that, seriously, your response, given the absolute urgency of climate change? You're going to wait another year before doing anything in terms of having a look at that policy of—let's be clear—John Barilaro's?"

**The Hon. COURTNEY HOUSSOS:** Ms Faehrmann, you've just had two very long questions there, so let me just provide you with an answer. Yes, I believe in climate change. Yes, I support our net zero targets. I voted and am a supporter of those as a member of the New South Wales Labor Government. This is an important step forward. I just want to correct something in your question there. Submissions closed in November last year for the Critical Minerals and High-Tech Metals Strategy. Now, as we have discussed previously in a private briefing with the CEO of NEG, that previous Government strategy was done without any community consultation, so we've taken a deliberately different response. We are consulting with the community. I've held a round table. We received 36 submissions from a range of industry, from unions, from community members, from individuals and from peak organisations. We had really good engagement in that.

I accept that we can walk and chew gum at the same time. At the same time we are trying to implement our election commitments around the Future Jobs and Investment Authorities that I answered a series of questions on earlier during budget estimates. There is a range of things that we are working on. We are certainly, over our four-year term, going to get to the future of coal statement. I take your point: It was done by John Barilaro under the previous Government. But this is also something that we are going to work through carefully and methodically. We're not going to rush it. It's an important statement and we will review it in time. I've been really clear about that.

**Ms CATE FAEHRMANN:** Thank you for that response. Are you aware just how much the Independent Planning Commission relies on this document when they go to look at whether or not to approve coalmine

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approvals that are currently in the planning system? Your Government, the Labor Government—under your Government we've already seen one being approved, which is the Boggabri modification 8, reasonably significant. The Independent Planning Commission relies on that strategic statement of coal because it is the direction of government. It's the policy of government. If you're saying you're waiting however long that is, right now there are about 14 or so modifications in the system that, if approved, in terms of the coal that they are going to burn, is way beyond New South Wales's annual emissions—for example, a huge amount of greenhouse gases.

So preparing to wait might be okay if it's a policy about—I don't even want to say, actually, in terms of what is okay to wait. But it's not okay to wait when your Government came in, elected on action on climate change. You did say you'd act on climate change. This policy is the most critical policy your Government has when it comes to approving coalmines. Are you aware of that?

**The Hon. COURTNEY HOUSSOS:** You've asked me, again, a really long—there's been a long lead-in.

**Ms CATE FAEHRMANN:** No, I didn't ask you a lot of things. I gave you some information, and I've asked one question.

**The Hon. COURTNEY HOUSSOS:** No, Ms Faehrmann, you have asked me a series of questions. You asked if I'm aware of how important the statement is in relation to the IPC. You've asked me whether I believe in climate change.

**Ms CATE FAEHRMANN:** That was a previous question, which you've answered.

**The Hon. COURTNEY HOUSSOS:** I lost track of a few of the questions there. Let me just be really clear: I understand it's an important document. I understand it's an important document for the community, for industry and for organisations like the IPC.

**Ms CATE FAEHRMANN:** The planet.

**The Hon. COURTNEY HOUSSOS:** Of course, Ms Faehrmann. But if you want to ask specific questions about the actions that we're taking on climate change—I'm sure you've been asking those of the Minister for the Environment, and Minister for Climate Change in the other room. This Government is absolutely committed to an energy transition, to a clean-energy future and to taking real action on climate change, but we are committed to doing that in a careful and a methodical way. We're not just going to make these snap decisions overnight. What we are doing at the moment is working through the Critical Minerals and High-Tech Metals Strategy document, updating that, working on delivering our Future Jobs and Investment Authorities in partnership with local communities and doing a range of other important work that the Department of Mining, Exploration and Geoscience does every day in relation to mine regulation and keeping our workers safe. It's not the right bow to draw to say that this Government, because we're not immediately reviewing the statement on coal, that we're not serious about acting on climate change.

**Ms CATE FAEHRMANN:** This is what the Independent Planning Commission is looking at right now. This is what they quote, this is what they say in their approvals right now, is that the only direction they have from your Government in relation to coal, in relation to approving every single coal modification—and let's be clear, modification is expansion; more coal being mined, more coal being burned, more greenhouse gas emissions as a direct result of what is being approved in the State of New South Wales. Are you going to send any direction to the IPC this year, from your Government, when it comes to the approval of coalmines, other than what John Barilaro said four years ago, five years ago, under the National Party?

**The Hon. COURTNEY HOUSSOS:** Ms Faehrmann, of course, we are working on a very multifaceted and nuanced approach. Questions in relation to the specific considerations for the IPC are best directed to the planning Minister. I am certainly speaking to him about the best ways that we can do that, but we are going to work through this in a careful and methodical way. I'm not going to make an announcement here today that we are going to be updating the coal statement. I have been consistent in my language about this since my very first days of being elected. We will work through these issues carefully. We have legislated for our net zero targets. We have legislated to put our Net Zero Commission in place. They have started that important work. I speak to my ministerial colleagues about these issues frequently, but we need to do this in a managed and in a careful way.

**Ms CATE FAEHRMANN:** Sure. Thank you.

**The Hon. COURTNEY HOUSSOS:** Coal will continue to be a key part of our electricity network and a key part of our State's exports for a long period to come, and we want to make sure that we're working through that in a careful way.

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**Ms CATE FAEHRMANN:** Just one more question about that. You said to ask the planning Minister questions. Sure, I understand the way this works. That's why I'm sitting here asking you about the strategic statement on coal. I'm not asking you about the planning system. I'm not asking you about any of that. I'm asking about what you have responsibility for. That's what I'm asking you about—the strategic statement of coal policy, one question in relation to that. Are you aware of how much the Independent Planning Commission relies on that statement when they make their determination as to whether to approve or reject coalmines in New South Wales?

**The Hon. COURTNEY HOUSSOS:** I'm aware that that is an important statement not just for the IPC but for industry, for community, for government more broadly, so we are going to review that document but we're not going to do that in a kneejerk way. We're going to work through that in a careful and considered way. We want to be able to provide certainty and a stable operating environment, and I don't think that's going to be assisted by me making a kneejerk response today.

**Ms CATE FAEHRMANN:** Can we see anything this year, do you think, 2024? Will we see any movement on it this year?

**The Hon. COURTNEY HOUSSOS:** I've said—you've asked me the same question several times. I've said the same thing.

**Ms CATE FAEHRMANN:** Okay. Minister, have you seen the recent ABC report about two miners being diagnosed with silicosis at Orange's Cadia goldmine?

**The Hon. COURTNEY HOUSSOS:** I am aware of those reports.

**Ms CATE FAEHRMANN:** Are you concerned that this disease is still striking miners down, including here in New South Wales?

**The Hon. COURTNEY HOUSSOS:** I am concerned. Let me just say, of course, the first and foremost responsibility as mining Minister is to make sure that mining workers have a safe environment to work in and that they get home safely to their families. That is the absolute underpinning primary responsibility that I believe that I have as the mining Minister. Now I am aware of the silicosis diagnosis. That is specifically in the remit of the Resources Regulator, so it's probably best that he provides you with that direct information. We do have a really stringent regulatory system that underpins our mining industry and I think he's probably best placed to be able to provide you with those answers.

**Ms CATE FAEHRMANN:** Which we have a lot of time for this afternoon, Mr Day.

**PETER DAY:** Thank you.

**The CHAIR:** Minister, just following on from Ms Faehrmann's questions, why is the Government reviewing the strategic statement on coal?

**The Hon. COURTNEY HOUSSOS:** We will work through that document once we've concluded the work that we're doing on the Critical Minerals and High-Tech Metals Strategy.

**The CHAIR:** But why?

**The Hon. COURTNEY HOUSSOS:** We want to make sure that it's fit for purpose, that it's updated, that it's in line with our Government's aims and objectives.

**The CHAIR:** So there's a possibility that it's not fit for purpose?

**The Hon. COURTNEY HOUSSOS:** Yes, there is a possibility it's not fit for purpose, but—

**The CHAIR:** Do you think it's a document written by John Barilaro that the community can have confidence in and that they can rely on the integrity of that document?

**The Hon. COURTNEY HOUSSOS:** Mr Buckingham, you have asked me questions about this since my very first days as Minister. I think it's really important that we provide a stable operating environment for the mining industry in New South Wales but also for the community to rely on. We will certainly make sure, and I have flagged this frequently, that that's fit for purpose—and whether it needs to be updated. But I think it's important that existing policies stay in place to give that ongoing certainty to the industry but also to the community.

**The CHAIR:** Just to be clear, in terms of what Ms Faehrmann was saying, the work in terms of updating it will not be occurring concurrently? There's no activity being done until the policy around critical minerals has concluded?

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**The Hon. COURTNEY HOUSSOS:** I've just made it really clear. I think we need to prioritise what we're doing and sequence it properly, and I think that the resources of the department at the moment are fully consumed with the work that they have on a day-to-day level but also in doing this survey. We will begin the process of formally reviewing that document once we've concluded the work that we've done on the Critical Minerals and High-Tech Metals Strategy.

**The CHAIR:** Minister, I'll bring you to a question around the Russell Vale Colliery and Wongawilli mine sites. Are you confident that the securities held for those mines, which have closed, will cover the cost of rehabilitating those sites? I understand that the Russell Vale site has \$12,340,000 held in security and at Wongawilli it's \$40,150,000 as of 2020. But the actual miner, Wollongong Resources, estimated the cost of rehabilitating the Russell Vale site at \$215 million. Are you confident that we have enough money held in security to rehabilitate those mine sites?

**The Hon. COURTNEY HOUSSOS:** Let me say this: I know this is an issue that's causing concern across the Illawarra, and it's a good question for you to ask in this forum.

**The CHAIR:** Are you aware that those mines are under the Sydney drinking water catchment?

**The Hon. COURTNEY HOUSSOS:** Yes, absolutely.

**The CHAIR:** The rehabilitation of them impacts on anyone who's drinking water from our water catchments.

**The Hon. COURTNEY HOUSSOS:** I certainly understand the importance of mining rehabilitation on any mine site. Let me say that. I'm absolutely committed to enforcing those standards and making sure that they are stringently enforced. There is some history or some sort of broader considerations in relation to Russell Vale and the commercial decision that was made by the company not to reopen that particular mine. Perhaps you might like to ask the Resources Regulator some more questions in relation to that this afternoon. It was a pretty significant step for them to take. We certainly understand, and I certainly understand, the impact that has had on those workers in the Illawarra.

In relation to the rehabilitation requirements on the company, Wollongong Resources can take a decision that they no longer want to operate the mine. That doesn't negate their responsibilities in relation to the rehabilitation work that needs to occur on that site. We will absolutely ensure that all of their obligations are required. Your figures were correct. The current rehabilitation security deposit is roughly \$12.3 million, and the titleholder is responsible for lodging that security deposit. But I want to be really clear with the community in the Illawarra that I'm working closely with my colleague the Minister for the Illawarra and the South Coast and with the local members down in that part of the world. We will ensure that all of those obligations are honoured, and we will make sure that that mine is rehabilitated in the way that it is required to be.

**The CHAIR:** Minister, point of consumption taxes is one of my favourite topics these days. Point of consumption taxes are a novel way for States to generate revenue. How much, over the forward estimates, is the Government predicting it will raise from the point of consumption tax on online gaming wagering in New South Wales?

**The Hon. COURTNEY HOUSSOS:** That's an excellent question, Mr Buckingham, in relation to our future projections. Before I pass to my Treasury colleagues to give you an accurate answer about exactly what we're projecting over the forward estimates, what I can tell you is this year in taxation we will be taking in almost \$45 billion. But in relation to the point of consumption, we might need to—

**MICHAEL COUTTS-TROTTER:** We might need to take that one on notice, Mr Buckingham, unless my colleague Joann Wilkie can magic up an accurate answer.

**JOANN WILKIE:** I may have it.

**The CHAIR:** I will move on, and if I could get an answer—

**MICHAEL COUTTS-TROTTER:** We might be able to respond during the course of the day.

**The CHAIR:** Fantastic. I appreciate that. In a previous hearing of this inquiry, the Treasurer said, interestingly, that he hadn't had an assurance from the Federal Government that, if the point of consumption tax was not constitutional—because, in *Vanderstock v Victoria*, there has been a challenge to point of consumption taxes in Victoria. He had an assurance from the Federal Government that, were they to not be upheld by a potential High Court challenge, the Federal Government would essentially underwrite those taxes by way of a windfall tax. How has that process occurred? Have you been privy to those conversations? And how has the Federal Government formally responded or informally responded to the New South Wales Government about that issue?

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**The Hon. COURTNEY HOUSSOS:** The Treasurer and I work closely on a range of issues and I did watch large parts of his estimates last week. I think that's probably really a question for him in relation to providing you with an update with his conversations. He has certainly briefed me on a range of issues that are currently underway. There's a clear intersection between the work that we do at a State level and the Federal counterparts, but he takes the lead through the Board of Treasurers, through CFFR, in that kind of external consultation role. I think that's probably best for him to answer, unless the Secretary has got anything to add.

**MICHAEL COUTTS-TROTTER:** Thanks, Minister. Look, it was a matter of discussion, Mr Buckingham, at the last Council on Federal Financial Relations, which is the meeting of the Commonwealth and State and Territory Treasurers. The Vanderstock decision is a decision in relation to one tax, and one tax in Victoria. There are a range of views about its implications, if any, for other tax bases. I think the view in New South Wales is, essentially, we won't know, until a tax base is challenged before the High Court, whether there's further implications.

What all Treasurers were seeking from their Commonwealth counterpart was a commitment that, as the Commonwealth did in the late 1990s, it would essentially take, by way of a windfall tax legislation, any compensation that someone sought for taxes that had previously been paid to a State government but were now ruled unconstitutional—in other words, remove the incentive for a legal challenge to recoup taxes that may have been paid over decades. Yes, you might win in the court constitutionally, but the Commonwealth will take back any compensation you get and you will be left with your legal costs. So that's what States and Territories were seeking from the Commonwealth: to discourage legal adventurism in coming after our tax bases. And there was a commitment in that meeting that the Commonwealth would consider that.

**The CHAIR:** Thank you. Have Revenue NSW or the Treasury done any modelling on increasing point of consumption taxes over the coming years?

**The Hon. COURTNEY HOUSSOS:** Look, I'm not immediately aware of that, but we can take that on notice.

**MICHAEL COUTTS-TROTTER:** I'm happy to take that on notice.

**The CHAIR:** Some other States have introduced an addition to their payroll tax in terms of instituting a mental health levy. I think it's half a per cent on companies with a payroll above \$10 million and 1 per cent on companies with a payroll over \$100 million. I think that's the case in Victoria. It's generating nearly a billion dollars worth of revenue there. Is Revenue NSW or the Government considering a similar model? I think New South Wales is one of the only States that isn't bringing that in and hypothecating that to funding suicide prevention and mental health services. Is that something that the State Government is considering?

**The Hon. COURTNEY HOUSSOS:** The Treasurer was very emphatic before the election. We are committed to introducing no new taxes. Mental health is a very important issue. It's a growing challenge for our health system, and we certainly want to be providing the support that people need, but that's not something that we are considering at this time.

**The CHAIR:** So you consider increasing the payroll tax a new tax?

**The Hon. COURTNEY HOUSSOS:** That's an interesting question that I hadn't really thought about. The Treasurer was pretty emphatic that there are no new taxes. But I make this point: We have been really clear that if there are loopholes that emerge or there are things that emerge as a result of the almost constant legal interactions and legal cases that occur as a result of our system, we'll certainly take action to ensure the integrity of our tax system and to make sure that it's fit for purpose.

**The Hon. Dr SARAH KAINE:** Minister, could you talk about the last Government's record on domestic manufacturing?

**The Hon. SARAH MITCHELL:** No-one has been using their time.

**The Hon. COURTNEY HOUSSOS:** I welcome the excellent question from Dr Sarah Kaine, and I'm looking forward to your report. At the outset, let me say that I'm really encouraged by the fact that ICAC has made a submission to your important inquiry. I expect that you would take a considered view on such a submission. I deeply respect the ICAC views. I'm not going to pre-empt the recommendations that you make, but it is important to provide some context as to why we took some significant election commitments around local content, to rebuild our domestic manufacturing industry in New South Wales, because what we have seen from the previous Government is consistently sending major projects offshore over a series of years. It didn't just result in a poorer economic outcome; it also resulted in a poorer social outcome.

**The Hon. DAMIEN TUDEHOPE:** That's what happens when you get free trade agreements.

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**The Hon. COURTNEY HOUSSOS:** That's certainly, I know, the focus of what you're looking at doing in relation to the procurement inquiry. How can we be using those precious procurement dollars in a more effective way? But let's be clear about what the people of New South Wales did get from those billions of dollars sent offshore. They got ferries that were riddled with asbestos. They got ferries on which you were risking decapitation if you travelled up the Parramatta River. There were issues with the engines—they couldn't start and they couldn't reverse. I lost track of all the different faulty problems that occurred with those ferries. Those important projects were sent offshore. Not to mention, we can start talking about trains. We did commit. We will build trains here in New South Wales again, as we have for over a hundred years. But the previous Government took deliberate decisions to send those important procurement dollars offshore. We think we can leverage them in a better way, and I look forward to hearing how we can be doing that as a result of your inquiry, Dr Kaine.

**The Hon. DAMIEN TUDEHOPE:** A pretty underwhelming answer.

**The CHAIR:** Order!

**The Hon. SARAH MITCHELL:** Who uses their Government time? No-one does anymore. We just have morning tea.

**The Hon. Dr SARAH KAINE:** As a follow-up, what have you achieved since you've become Minister for Domestic Manufacturing and Government Procurement?

**The Hon. COURTNEY HOUSSOS:** In November last year I issued my first ministerial direction to the Procurement Board. We increased the amount for which small and medium-sized businesses can be directly purchasing goods and services from the New South Wales Government, from \$150,000 to \$250,000. Last year the New South Wales Government procured \$42 billion worth of goods and services and construction. We want to be making sure that small and medium-sized businesses get a larger slice of that pie. We want to be making sure that they have that opportunity to do that, without the paperwork being so overwhelming that it's a disincentive. So we took a number of steps to that. We're committed to setting up an independent jobs first commission. We've started doing that work in NSW Treasury. We think that is an important way to build the capability that is no longer here and that was decimated over 12 years by the previous Government. We want to rebuild that capacity and that capability by setting up our jobs first commission. I really want to thank the excellent public servants who are helping that process.

As we've talked about extensively this morning, we're going to be setting up a 30 per cent tender weighting to support local content and really taking a fresh look at the way that that devolved procurement model works. These are important taxpayer funds. We want to be able to spend them and to be getting the best possible outcomes. We want to be rebuilding our domestic manufacturing industry as we do that, but there's a range of opportunities about how we can be better using those precious procurement dollars. I look forward to your inquiry's report, Dr Kaine.

**The Hon. STEPHEN LAWRENCE:** Minister, you gave an example earlier, under some questioning from Mr Tudehope, of having to clean up a mess left by the previous Government. Are there any other such instances where you've had to clean up a mess left by the previous Government?

**The Hon. COURTNEY HOUSSOS:** Thank you for the excellent question, Mr Lawrence. I did speak extensively about the foreign surcharge tax issue. That's obviously taken a considerable amount of cleaning up to do. You and I have worked on the issue of opal mining, where the previous Government was issuing mining licences incorrectly for an extended period of time. It was discovered that 3,343 mineral claims were impacted by those decisions. That was a really difficult time for those miners and for the mining community out there, and I really want to thank you for the work that yourself and certainly Roy Butler did working through those issues. The legislation passed the Parliament last year; that was great. I look forward to hearing from the review and making any further changes that we need to be doing.

There's a range of issues. I've talked about the fiscal cliffs that we uncovered—\$7 billion worth of programs that were unfunded, this budget black hole that was just gifted to us when we were sworn in. We've funded 1,112 nurses in our public hospitals that didn't have ongoing funding. I really want to thank the Minister for Health for the important work he's doing there. Cyber Security NSW, out-of-home care—there's a range of issues that we've confronted, not to mention we've started doing some work on fairer fines. That's going to be a lot more of our focus as we make sure that our fine system is fit for purpose, and particularly during this cost-of-living crisis. The previous system that was in place around fairer fines, where 0.01 per cent of fines were given any kind of hardship or refunded under this system—at a time when there are so many families and households and businesses doing it tough, we need to make sure that that is actually going to be fit for purpose and in place.

**The CHAIR:** In the absence of any more questions from the Government, will have a break and reconvene at 11.15 a.m. sharp.

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**The CHAIR:** We will now recommence with questions from the Opposition.

**The Hon. CHRIS RATH:** Minister, before the election, did Labor commit to increasing tender weightings to 30 per cent, capturing local content, job creation, small business and ethical supply chains?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. CHRIS RATH:** Do you stand by that commitment to including local content in weightings?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. CHRIS RATH:** How do you respond then to ICAC's warning that "the commission does not support selection criteria"—

**The Hon. Dr SARAH KAINE:** Point of order: I understand that the Opposition are allowed to pursue this line of questioning. However, the Committee has not yet looked at those documents, and without the Minister having them with her, they're now being subjected to a particular interpretation by Mr Rath and Mr Tudehope, which I actually don't share—having read them—and I think it would be at least courteous to allow the Minister to have a copy.

**The Hon. CHRIS RATH:** I'm quoting directly from it.

**The Hon. Dr SARAH KAINE:** It's what you quote and the selectiveness of it that I'm worried about, Mr Rath.

**The CHAIR:** Mr Rath, if you'd like to table it.

**The Hon. CHRIS RATH:** And it's publicly available on the Parliament's website.

**The Hon. DAMIEN TUDEHOPE:** To the point of order: It would be unreasonable to expect the Minister to now take the full period of time to read the whole report to comply with what the Minister—this is a direct quote from the report and the Minister is being asked to respond to that quote.

**The Hon. Dr SARAH KAINE:** Was it a direct quote? I think it was Mr Rath interpreting.

**The Hon. CHRIS RATH:** I will quote the report directly.

**The CHAIR:** The advice from the Clerks is that submissions are not caught by the meaning of "proceedings", therefore the submission can be referred to. If Mr Rath would like to table a copy so the Minister can have one, that may assist or may not. If you would like to rely on the quote, please do so.

**The Hon. CHRIS RATH:** Quoting from page 12 of the submission, how do you respond to ICAC's view that "the commission does not support selection criteria or weightings that give preference to local content or local suppliers because of the increased potential for corruption"?

**The Hon. Dr SARAH KAINE:** But it goes on to explain that.

**The CHAIR:** Order!

**The Hon. Dr SARAH KAINE:** It qualifies it later.

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** Mr Rath, I'm not sure if you were here for the questioning earlier from Mr Tudehope, but I was really clear that I deeply respect ICAC. I am delighted that they've made a submission to the parliamentary inquiry that I initiated by writing to Dr Kaine. I think these are important and considered things that should be thought about as we consider how to implement this election commitment, but I stand by my earlier testimony.

**The Hon. CHRIS RATH:** Who's right, Minister? Are you right or is the ICAC right?

**The Hon. COURTNEY HOUSSOS:** No, it's not a binary question, Mr Rath.

**The Hon. CHRIS RATH:** So the ICAC's concerns about value for money for taxpayers, about integrity measures—

**The Hon. Dr SARAH KAINE:** They aren't the only submitter.

**The CHAIR:** Order!

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**The Hon. CHRIS RATH:** Are you happy just to jettison those for the headline about local procurement that you brought to the election?

**The Hon. COURTNEY HOUSSOS:** Mr Rath, there was a series of assertions in your question then that I don't agree with. I find it interesting that you're coming in here attacking this from a different viewpoint now. I deeply respect the views of ICAC. Of course the committee will consider those carefully. I note that Dr Kaine is so diligent that she has gone away in the break, gotten a copy of the submission and is already quoting it back to you. I will look forward to the committee's recommendations in relation to this. We were really clear about this before the election. You asked me questions in relation to this during the last budget estimates.

But let's be clear about why we took that decision. We said that the approach of your previous Government of sending billions of dollars of taxpayer funds offshore was not right. We want to build things here. We want to be able to build trains or ferries or spend our government procurement dollars here. I can tell you, we are not going to be spending billions of dollars in Korea for trains that do not fit our tracks. We are not going to be spending money on ferries coming from Indonesia that are riddled with asbestos, that can't reverse, that are risking decapitation by getting on them.

**The Hon. SARAH MITCHELL:** That's not relevant.

**The Hon. COURTNEY HOUSSOS:** I mean, this is just absolutely ridiculous. Do you not support Australian-made products? We are not first movers here.

**The Hon. CHRIS RATH:** Minister, at the last estimates, you are quite right, I asked you about the RTBU's pledge on local manufacturing and procurement, and 25 Labor MPs, including yourself at the estimates, committed to that pledge. But the ICAC's recommendations basically throw that entirely up in the air, don't they?

**The Hon. BOB NANVA:** That's not true.

**The Hon. CHRIS RATH:** In particular, they say:

...potentially sacrifice value for money by limiting competition and may prevent access to new products and innovative solutions.

**The Hon. COURTNEY HOUSSOS:** Let me say this. I am looking forward to the recommendations that—

**The Hon. Dr SARAH KAINE:** And also should apply "objective, easily evaluated criteria" if they are going to do it.

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** Let me work through the series of assertions that you made then. I do support the RTBU's pledge. I was delighted that you brought it to my attention during the last estimates hearing. I do support the ability to build and find opportunities to spend our government procurement dollars in Australia. In domestic manufacturing we know that for every job in the supply chain that you directly create there are 3.5 in the supply chain that are created. So when your Government sent billions of dollars offshore, not only did you send those jobs offshore; you sent those supply chain jobs offshore as well. We are absolutely committed to using that money here and we will do that within the guidance provided by the ICAC. I welcome that feedback, and we will respond to the report appropriately. But, Mr Rath, are you actually coming in here and saying that you don't support domestic manufacturing?

**The Hon. CHRIS RATH:** We're here to ask the questions, Minister. Hopefully, you are here to answer them.

**The Hon. Dr SARAH KAINE:** That's a no. That will be a no.

**The Hon. CHRIS RATH:** Minister, are you intending to wait until after the social issues committee reports in July before heeding the ICAC's warnings about local content schemes and their potential for corruption?

**The Hon. Dr SARAH KAINE:** It's not a warning; it's a submission.

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** Mr Rath, they have made a submission to a parliamentary inquiry on an election commitment that is complex and requires careful and diligent work, and that's exactly why I've asked the upper House social issues committee to make recommendations in relation to that. I think it's a welcome contribution from the ICAC. Of course we'll consider that carefully.

**The Hon. CHRIS RATH:** So you're just going to ignore the ICAC until July?

**The Hon. COURTNEY HOUSSOS:** No.

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**The Hon. DAMIEN TUDEHOPE:** Minister, do you also accept that we do have obligations under free trade agreements?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. Dr SARAH KAINE:** Yes, but they can be dealt with.

**The Hon. DAMIEN TUDEHOPE:** Good. And do you accept that those free trade agreements do in fact open—

**The Hon. Dr SARAH KAINE:** Have you read the other submissions? Talk about those.

**The CHAIR:** Order, Dr Kaine!

**The Hon. Dr SARAH KAINE:** Apologies, Chair.

**The Hon. DAMIEN TUDEHOPE:** Do you accept that under free trade agreements we do have obligations in relation to procurement policies in respect of making sure that we do get value for money and have an open competition market in relation to the supply of contracts?

**The Hon. Dr SARAH KAINE:** Read all the submissions.

**The Hon. COURTNEY HOUSSOS:** Yes, I'm certainly aware of our free trade obligations. I am also aware that Victoria, Queensland and Western Australia have found a way through this. These are important projects that we can be building locally, and we will work through that. But the idea that our free trade obligations are in some way going to inhibit us when Victoria, Queensland and Western Australia have all found a way to spend their dollars locally, to build local jobs, to create local opportunities, to build their local supply chains— I mean, it's—

**The Hon. DAMIEN TUDEHOPE:** Thanks, Minister. You'd agree that Victoria found a way in relation to dealing with the surcharge duty. Is that right? Victoria found a way.

**The Hon. COURTNEY HOUSSOS:** Again, Mr Tudehope, you're drawing comparisons—

**The Hon. DAMIEN TUDEHOPE:** Thank you, Minister.

**The Hon. COURTNEY HOUSSOS:** —between two issues that have no relationship to each other. The foreign tax surcharge—we have dealt with that at length. Do you have another question?

**The Hon. DAMIEN TUDEHOPE:** Are you prepared to compare New South Wales to Victoria in relation to procurement policy? Are you prepared to compare New South Wales to Victoria in relation to revenue policy? Or is it just you pick and choose?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, I dealt with your questions in relation to Victoria and the steps that they took, and the steps that we took as a result of your bungling of the foreign surcharge tax.

**The Hon. DAMIEN TUDEHOPE:** No, Minister, it wasn't bungling. It wasn't bungling. It was a good policy—\$2.6 billion to be raised in relation to surcharge duty.

**The Hon. Dr SARAH KAINE:** Point of order—

**The Hon. DAMIEN TUDEHOPE:** Good policy, Minister.

**The Hon. Dr SARAH KAINE:** I am not sure that Mr Tudehope defending his dubious record is appropriate material.

**The Hon. DAMIEN TUDEHOPE:** But it's like you making interventions in relation to—

**The CHAIR:** Order!

**The Hon. Dr SARAH KAINE:** Read the submissions.

**The CHAIR:** Order! There is no point of order.

**The Hon. DAMIEN TUDEHOPE:** Thank you.

**The CHAIR:** Mr Tudehope, please ask some questions. Could you all desist from interjecting or conducting a debate across the room.

**The Hon. DAMIEN TUDEHOPE:** Minister, can I take you to palliative care? Are you going to give the same response as Minister Park, the Premier and the Treasurer in relation to the reduction in palliative care funding? Or will you admit today that, in relation to the future contributions for future budget estimates for

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palliative care contributions, you have in fact cut palliative care funding by \$250 million? Will you make that concession today—be the only Minister who is prepared to do it?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, you asked me these questions in November. You've asked the Premier and the Treasurer and the health Minister the same questions. They have given you the same answers. I will give you the same answers. Under our Government, we will see palliative care funding increase this year by 6.8 per cent. It will increase by 8 per cent next year and a further 11.7 per cent in the following year, 2025-26. You can ask the same questions, Mr Tudehope. The answers don't change.

**The Hon. DAMIEN TUDEHOPE:** Let me just put this in very simple language. If you promise your children pocket money of \$10 and you only give them \$7.50, is that a cut?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope—

**The Hon. DAMIEN TUDEHOPE:** Is that a cut, Minister?

**The Hon. COURTNEY HOUSSOS:** I am not going to enter into debates about pocket money—

**The Hon. DAMIEN TUDEHOPE:** Well, you promised them \$10 and only gave them \$7.50. Is that a cut?

**The Hon. COURTNEY HOUSSOS:** —mainly because I don't give my children pocket money. I don't necessarily buy into the analogy. What I can tell you in relation to this important issue on palliative care is that this year the funding will increase by 6.8 per cent. It will increase by a further 8 per cent next year. The year after, it will increase by 11.7 per cent. What we have done is provide increased funding over the subsequent budgets that we are doing.

**The Hon. DAMIEN TUDEHOPE:** But you have cut it, have you not, Minister? Just make the admission, because today is your chance to say "we have cut it". Haven't you? You promised \$10, but you've given them \$7.50.

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, you are asking hypotheticals and drawing the wrong conclusions. What I can tell you are the facts. The facts are in the budget papers for everybody to see—

**The Hon. DAMIEN TUDEHOPE:** They are.

**The Hon. COURTNEY HOUSSOS:** —which is that under our Government—

**The Hon. SARAH MITCHELL:** Cut, cut, cut.

**The Hon. DAMIEN TUDEHOPE:** We have seen the documents, Minister.

**The Hon. COURTNEY HOUSSOS:** Under our Government—

**The Hon. SARAH MITCHELL:** Cut. Cut. Cut.

**The Hon. COURTNEY HOUSSOS:** —we will be increasing funding by 6.8 per cent this year, by a further 8 per cent next year, and by a further 11.7 per cent the year after that.

**The Hon. DAMIEN TUDEHOPE:** Minister, I thought in relation to that you would at least have a bit more perspective. In any event, how many full-time FTE positions will be cut or not be filled because of the quarter of a billion dollars of funding which has been removed?

**The Hon. COURTNEY HOUSSOS:** That's quite a specific question in relation to the health system. I think that's probably better directed to the Minister for Health.

**The Hon. DAMIEN TUDEHOPE:** You are on the Expenditure Review Committee. You must know an answer to that.

**The Hon. COURTNEY HOUSSOS:** No. I am telling you that a specific question around the full-time equivalents of the health workforce is best directed—you missed your opportunity.

**The Hon. DAMIEN TUDEHOPE:** But you admit that there will be a reduction in FTEs for palliative care.

**The Hon. COURTNEY HOUSSOS:** Let me answer your question. Don't speak over me. Extend me the courtesy.

**The Hon. DAMIEN TUDEHOPE:** I'm not speaking—I just want you to answer.

**The Hon. COURTNEY HOUSSOS:** If you want to ask me questions, give me the courtesy to give an answer. Palliative care is actually being expanded under our Government. There are new and expanded palliative

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care units throughout the State and palliative care will increase the funding. Now, if you have a specific question in relation to the full-time equivalents, you are welcome to direct that to the Minister for Health.

**The Hon. DAMIEN TUDEHOPE:** Would it have been increased more under the previous Government?

**The Hon. COURTNEY HOUSSOS:** What I can tell you is the funding that is available in our budget will increase year on year.

**The Hon. DAMIEN TUDEHOPE:** Would it have been more under the previous Government? Would it have been more?

**The Hon. COURTNEY HOUSSOS:** Mr Tudehope, this is the same answer that I said here last year, that the Premier has said in his estimates, now twice that the Treasurer said in his estimates and that the health Minister has said in their estimates.

**The Hon. DAMIEN TUDEHOPE:** Would it have been more under the previous Government?

**The Hon. COURTNEY HOUSSOS:** We have continued to answer your questions about what is in our budget and what we are committed to doing, which is increasing funding, year on year, for new and expanded palliative care units across the State.

**The Hon. DAMIEN TUDEHOPE:** Would it have been more under the previous Government?

**The Hon. COURTNEY HOUSSOS:** You lost the election, Mr Tudehope. You lost the election.

**The Hon. DAMIEN TUDEHOPE:** We did. But would it have been more under the previous Government?

**The Hon. COURTNEY HOUSSOS:** We won the election. We are dealing with the legacy issues that you created in the health system, including the 1,112 nurses that you didn't provide funding for.

**The Hon. DAMIEN TUDEHOPE:** Would palliative care have been funded more under the previous Government? Answer the question, Minister.

**The Hon. COURTNEY HOUSSOS:** That's a hypothetical question, because you didn't win the election.

**The Hon. BOB NANVA:** Point of order: I again refer to Legislative Council practice, which states that House procedures are not binding or strictly applied, but they do provide a guide to budget estimates hearings. Mr Tudehope is asking a hypothetical question, and I ask that you rule it out of order.

**The CHAIR:** Yes, it is a hypothetical question. We have no idea what would happen in a parallel reality where the Coalition was returned. We cannot see into the multiverse. Because of that, it is a hypothetical and therefore—

**The Hon. DAMIEN TUDEHOPE:** No, it's a real question. It's not hypothetical.

**The CHAIR:** It is a hypothetical. You're saying, "What if".

**The Hon. DAMIEN TUDEHOPE:** No, I said, "Would it have been more?"

**The CHAIR:** We don't know.

**The Hon. DAMIEN TUDEHOPE:** We do, because it was in the budget papers.

**The CHAIR:** You may have made a different decision. You could have done anything.

**The Hon. DAMIEN TUDEHOPE:** We do know. It was in the budget papers, wasn't it, Minister?

**The CHAIR:** We will never know what we don't know. Mr Tudehope, you have four minutes remaining.

**The Hon. SARAH MITCHELL:** It is actually my turn, Chair. Minister, I want to ask you some questions about the Royalties for Rejuvenation Fund. That fund is legislated with \$25 million annually to be set aside from mining royalties for investment. Is that correct?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. SARAH MITCHELL:** Can you tell me when each year that \$25 million goes into the fund?

**The Hon. COURTNEY HOUSSOS:** My understanding is that the requirement for the fund is that the money goes in, but your Government made an interesting decision, which was to lock the money up.

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**The Hon. SARAH MITCHELL:** No, Minister. You've said that that is set aside annually. That's in the legislation. I just want to know when that \$25 million goes in. Further to that, can you tell me how much is currently in that fund?

**The Hon. COURTNEY HOUSSOS:** In relation to that fund, Royalties for Rejuvenation, the current balance is \$74.5 million. In this year's budget we have promised \$5.2 million over four years towards establishing our Future Jobs and Investment Authorities. When we discuss this fund, it's really important to note that it was your Government that made the decision that that money is tied up until 2028-29 or until it matures to a particular position. So that puts some requirements around—

**The Hon. SARAH MITCHELL:** Chair, this wasn't my question. I asked how much money was in the fund. The Minister has answered that. I'd like to move on to my next question.

**The CHAIR:** To that, Ms Mitchell, if you do have a concern with the answer, you should take a point of order.

**The Hon. SARAH MITCHELL:** Point of order: It was a very specific question, which is how much money is in the fund. The Minister has just told me it's \$74.5 million. I would like to ask the second question.

**The Hon. STEPHEN LAWRENCE:** To the point of order: I think there were actually two questions.

**The CHAIR:** I think there were two questions. There's a practice emerging of cutting short witnesses in giving answers. If you ask a question and the Minister is providing details and relevant information any Minister is at liberty to provide that information.

**The Hon. SARAH MITCHELL:** To the point of order: I haven't asked the Minister about what that money is being used for. I asked about when the money went in and how much money is in there, which she has answered. I'd now like to ask other questions. I've got very limited time, as the Minister well knows, having sat in this chair for a long period of time. How many local government areas comprise the coalmining regions covered in the regulation for that fund?

**The Hon. COURTNEY HOUSSOS:** That's an excellent question. There are a large number of local government areas. I could get you the specifics.

**The Hon. SARAH MITCHELL:** That would be great.

**The Hon. COURTNEY HOUSSOS:** Our approach to the funding is very much about the four regions that we've identified. There's the Hunter—

**The Hon. SARAH MITCHELL:** I know that, thanks, Minister. I've been on the website. I wanted to know how many local government areas, if you could provide that on notice.

**The Hon. COURTNEY HOUSSOS:** If you're on the website, maybe you could have just clicked through and found that yourself. I'm not your research assistant, but that's okay.

**The Hon. SARAH MITCHELL:** I'm asking whether you know how many local government areas, and you don't, so come back on notice. That's fine. Have you met with any of the four expert panels who have been set up to provide advice on the application?

**The Hon. COURTNEY HOUSSOS:** I've met with the chairs of the expert panels on several occasions. There were a number of the members of the expert panel who attended our round table in the Hunter. But in terms of the round table in Lithgow, I might just have to ask the CEO whether they attended.

**The Hon. SARAH MITCHELL:** I'll come back this afternoon, that's fine. Did you write to the expert panels and instruct them not to put forward any submissions or advice on projects that could be funded through this program?

**The Hon. COURTNEY HOUSSOS:** What I have done is I have asked—can I just say, at the outset, I deeply respect the experience of the people who have been appointed to the expert panels by the previous Government. I know that there are lots of really dedicated people who were finally appointed in November or December 2022 by your Government to these panels, and I admire the enthusiasm that they have. But it is appropriate—

**The Hon. SARAH MITCHELL:** But did you write to them and instruct them not to put forward submissions? That was my question.

**The Hon. COURTNEY HOUSSOS:** I'm answering your question, Mrs Mitchell.

**The Hon. SARAH MITCHELL:** Did you write to them?

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**The Hon. COURTNEY HOUSSOS:** I'm answering your question, which is that we need to go through a process to ascertain whether the expert panels are fit for purpose for our Government's objectives—whether they reflect the approach that we want to take with our Future Jobs and Investment Authorities. It's no reflection on the individuals on those expert panels. On the opportunities that I've had to meet with them, they've been enthusiastic advocates and they've got some great ideas. But what we need to do is make sure that it's fit for purpose for what we promised the people of New South Wales. There does seem to be a slightly different purpose in the way that the previous Government has set that up, but we're going to work through that and make an announcement in due course.

**Ms ABIGAIL BOYD:** Good morning, Minister.

**The Hon. COURTNEY HOUSSOS:** Good morning.

**Ms ABIGAIL BOYD:** And good morning to all the officials who are here today. Just coming back to those jobs and investment authorities and the Royalties for Rejuvenation Fund, that's really interesting—I didn't realise that that was locked up until 2028-29. Can you tell me what it's invested in and what through? Is that a TCorp investment?

**The Hon. COURTNEY HOUSSOS:** I'd have to refer you over to the Secretary to the Treasury to give you the very specifics.

**MICHAEL COUTTS-TROTTER:** And I would need to take that one on notice, I'm afraid, Ms Boyd.

**The Hon. COURTNEY HOUSSOS:** It's a great question.

**Ms ABIGAIL BOYD:** You were about to say at the end of the answer to the question you were asked before that it's either 2028-29 or, did you say, if it reaches a certain level?

**The Hon. COURTNEY HOUSSOS:** Yes. From memory, it's when the fund reaches a certain amount. But I don't want to mislead you, so I might—what I can tell you is that it sets aside \$25 million each year from mining royalties. The fund is held in a Treasury special deposit account. Sorry, I did have some information here that would be helpful for you. This year we expect to spend \$1.2 million in recurrent expenses, and the budget promised \$5.2 million over four years towards establishing our local Future Jobs and Investment Authorities.

**Ms ABIGAIL BOYD:** Is that \$5.2 million out of the \$74.5 million?

**The Hon. COURTNEY HOUSSOS:** The current balance is \$74.5 million, so that will increase with the \$25 million each year. We've promised \$5.2 million over the four years. I don't want to mislead you.

**Ms ABIGAIL BOYD:** As a separate amount?

**The Hon. COURTNEY HOUSSOS:** No, as part of that amount.

**Ms ABIGAIL BOYD:** But it's locked up, so how does that work?

**The Hon. COURTNEY HOUSSOS:** Yes, I know. My understanding or my advice is that there is a small amount that we are able to access for recurrent expenses but that the fund is tied up until 2028-29 or until the fund matures, but perhaps Ms Beattie might be able to—she's looking at me eagerly.

**Ms ABIGAIL BOYD:** That would be useful.

**GEORGINA BEATTIE:** It's a little bit complicated. It's actually \$22.5 million that is put aside each year in the statutory fund, and then there is \$2.5 million in recurrent expenditure that is available for operational costs.

**Ms ABIGAIL BOYD:** That operational cost—presumably that's operational for that fund, rather than for these authorities, so how do we do that?

**The Hon. COURTNEY HOUSSOS:** We are directing that fund to be spent and—as I said earlier to Mr Buckingham, who was asking me some questions in relation to the Future Jobs and Investment Authorities—I've asked the Department of Regional NSW to set up a specific unit that's going to be responsible for administering the authorities or for working with the authorities. As they do that, we're using some of that funding towards that.

**Ms ABIGAIL BOYD:** I was listening to the answers that you gave the Chair earlier in relation to those authorities. It strikes me that there is a disconnect between what the authorities are that are in progress versus what is commonly called a just transition or transition authority that the communities have been calling out for for some time. During the election, Labor made a commitment, for example, that in the Hunter they would have a transition authority on the back of at least a decade of work by communities, unions, universities and a whole bunch of other

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people there, to create what that would look like. Are you concerned, firstly, that it seems a bit slow that we are getting this thing and, also, that it doesn't look like we are on track to get that kind of transition authority for the Hunter?

**The Hon. COURTNEY HOUSSOS:** Yes. As I said earlier to Mr Buckingham, we have one chance to get this right. I accept that there's been lots of work done by local communities, and we want to be able to tap into that expertise. That's certainly why I've been travelling to hear directly from communities. The thing that really struck me from the Hunter round table was the enthusiasm and the number of ideas. This is a region that is genuinely thinking about the future. There are lots of opportunities, and my reflections afterwards would be that the authority needs to harness that and find ways that the Government can bring those ideas together and enable them. That might be a slightly different approach that is taken in other parts of the State, but, as I've said consistently, we want to work with communities to solve these problems. The enthusiasm in the Hunter, those opportunities, that work that's been done—we want to be able to work with them to do it. Whether the expert panels are the appropriate mechanism for that, that's really what we are working through at the moment.

**Ms ABIGAIL BOYD:** I think the frustration from the Hunter and—again, as you say, they're enthusiastic but they're also incredibly well up the curve when it comes to what a transition in Hunter would look like. Community groups have come together for 10 years to develop that and to work towards that transition. What they're looking for now is the funding to be able to implement that strategy. I'm hearing that the Royalties for Rejuvenation funds have been locked up still. What can we do to harness that in real time rather than waiting another two or three years for these things to be structured? It's happening now, on the ground, and they need it now and they're ready to go. Is there any way that we can deliver them some funds?

**The Hon. COURTNEY HOUSSOS:** We are working through those exact questions. We are asking those exact same questions ourselves, which are, if there is a pool of funding there and it's tied up until 2028-29 or until the fund matures, is that the best use of money? As we work through that process of what our local authorities will look like and whether accessing those funds earlier might be more appropriate, these are the kinds of things that we are considering. We are talking to local communities. In addition to holding the round table, I've held several meetings since with different organisations from the Hunter. The Hunter Jobs Alliance—I know they have done a lot of work on that. We really want to be able to partner with communities. We don't want to recreate the wheel. The other part of it is, as I said earlier, the Federal Net Zero Authority and how we can work in with them. There is no doubt that we want to be able to make sure that government is working together in partnership with the community, and we don't want needless duplication—that's not going to help.

**Ms ABIGAIL BOYD:** No, but I guess the lesson that we have learnt from overseas and from where transition has worked well is that if we listen to community and we build these transition structures from the community up rather than from that top-down approach, that's where we get the best results. I understand that there is work being done at the Federal level. I understand that we have now this State structure, but what we have at a community level is communities ready to go. You could be funding and establishing those local transition authorities in those regions much quicker, and we will all benefit from the economic results and from the community results down the track. What I am putting to you is, it looks like the Government is actually being a bit of a handbrake on this now. The community is ready to go. Will you look at more urgently setting up the transition authority that the Hunter is asking for?

**The Hon. COURTNEY HOUSSOS:** Can I just say, we are working on this every week. There are conversations that are occurring. I know that within my office, every day, they're working on this. We absolutely understand that sense of urgency. I know that, since we've been here last and you were asking me these questions in relation to that sense of urgency, MEG has been working on this as well.

Part of what we have done in setting up the dedicated unit is, as we do that consultation with communities, is actually make sure we've got the public service capability there. A key part of how I see the authorities working is using and making sure that government, as you say, is an enabler and not a handbrake. So there are significant questions in relation to what are the opportunities on these mining sites as they close. Are the current planning arrangements fit for purpose? Are we providing for more jobs? The classic case I've spoken to you and in the House about is the Mount Arthur site—such a huge site with almost, I think, 2,000 jobs located so closely to a significant regional town.

**Ms ABIGAIL BOYD:** That's right. That's why we need it now.

**The Hon. COURTNEY HOUSSOS:** But I would say this: The existing planning approval for Mount Arthur goes until 2027. I know they've lodged an extension to 2030.

**Ms ABIGAIL BOYD:** Yes, but it's not just—

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**The Hon. COURTNEY HOUSSOS:** That's the first of those—sorry, that's going to be the largest mine. I think we can do some pilot work around there.

**Ms ABIGAIL BOYD:** I appreciate the focus on jobs but, again, the transitional authorities that have worked really well in other places have focused at a much broader level on community services and other things. I'm also frustrated because when we talk about this structure of jobs and investment authorities being almost like a handbrake at the moment, when I go and talk to, for example, the Minister responsible for skills and TAFE or I talk to any Ministers across the Government about what they're doing to assist with transition and making sure we have a nimble workforce and that communities are supported during the transition, what they say is, "Yes, we're doing this thing at this jobs and investments authorities level." Again, everyone is waiting. It's like everybody in the Government is waiting for this so happen. Is there work being done to coordinate in the interim?

**The Hon. COURTNEY HOUSSOS:** Yes, absolutely. Absolutely. One of the key challenges—

**Ms ABIGAIL BOYD:** Who's doing that and how does that happen?

**The Hon. COURTNEY HOUSSOS:** I am and my department is doing that. We're working with our colleagues. In relation to skills, absolutely, I'm working really closely. I'm delighted we've now got Minister Whan in the Cabinet dealing with TAFE. As I think I said to you when we last met, the challenges within TAFE just to get that onto an even keel are huge. So I wouldn't say that we're waiting. I would say that we are working with community. We are absolutely committed to doing this. The skills part is going to be a really big part of the component and we want to find opportunities, but when we find ourselves in a situation where the previous Government sold off TAFE sites in that Hunter Valley region, like in Scone—

**Ms ABIGAIL BOYD:** I agree. You've got catch-up to do.

**The Hon. COURTNEY HOUSSOS:** We've got a lot of work to do. But we are absolutely working collaboratively and across government to make sure that we can all work together to solve this problem.

**The CHAIR:** I'll just ask a few questions and then you'll have more time, Ms Boyd. Following on from Ms Boyd's questions, the Royalties for Rejuvenation Fund, the majority of it has been set aside in a statutory fund until 2028-29. What is the statute under which that is set aside?

**The Hon. COURTNEY HOUSSOS:** Let me see if I've got that written down here. I'm not sure if I do. Perhaps the CEO can help?

**GEORGINA BEATTIE:** Yes, it's established in the Mining Act.

**The CHAIR:** So why wouldn't you, Minister, just amend the Mining Act to enable us to access those funds sooner rather than later?

**The Hon. COURTNEY HOUSSOS:** We might be considering something along those lines at this time, Mr Buckingham. Look, I have to say, it's set up under the Mining Act. There are certain requirements that are in the legislation. There are other steps that we can be taking in the meantime and we are just pursuing those options. As I said to you, we are working on this. It is a high priority for the Government because we understand that if we want to plan for the future we have to get those supports in place early, and we want to be able to work with communities to do it. So, yes, that's a very good suggestion from you, Mr Chair.

**The CHAIR:** That's good to hear. I met with the Minerals Council recently and they were making representations regarding these transitions. One of the issues they raised was a legacy issue of consents around mining rehabilitation and the fact that many of the consents require a particular mode of rehabilitation or remediation, which they put, and I have some sympathy with, is outdated in that it requires a return of the site to a particular use and also the removal of a lot of infrastructure that has enormous value—hard stands, water pipes, electricity infrastructure, fencing—which may have some other use. How do you respond to that? Is that a key consideration, especially around the issue of, say, Mount Arthur—2,000 jobs and a lot of valuable infrastructure there. Is that something that you, as a Minister, are considering and will respond to in due course?

**The Hon. COURTNEY HOUSSOS:** Absolutely. This is one of the key challenges that we face as we plan for the post-mine land use of some of these key and large mine sites across the Hunter Valley. I am really excited about some opportunities that we might be able to trial on Mount Arthur. Now I know BHP is consulting or may have just concluded its consultation process with the community. For example, there they've got such a huge void, there might be an opportunity to do pumped hydro in the void. But the point that the Minerals Council raised with you—and, I have to say, tribute to the Muswellbrook mayor who raised it first with me and the then Opposition leader.

The idea that you have existing infrastructure on a site—Mount Arthur is a great example because it's located so closely to Muswellbrook. And you're right, planning and consent requirements require it to be returned,

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essentially, to virgin grasslands. It is logical and I believe that we want to be able to find job opportunities on that land. And when you have existing infrastructure, the idea that the existing requirements require you to actually remove all of that—it just doesn't seem logical to me. Now there are some benefits that would be for BHP in not having to remove that infrastructure. We need to work through that. But there would also be some benefits for the community, potentially, in retaining that. These are really complex issues.

The other thing is that it's likely, given the size of some of these sites, that it's not one uniform solution. As I said, for Mount Arthur, I find it easier to speak in specifics. For example, at Mount Arthur they're talking about farming, perhaps, on one part of the land. They're talking about the potential of pumped hydro in the void. Then there's some other existing infrastructure. For example, the mayor said that this could be used for domestic manufacturing opportunities. These are all great things, but reopening that consent process is one that would potentially be difficult for the company. But I do believe it would be in the best interests of the community. So I'm really excited about these opportunities. I think that the Future Jobs and Investment Authorities—these are going to be some of the challenges that they're working with. But the point that the Minerals Council made to you—and, like I say, the Muswellbrook mayor has made to me, previously—is a great one.

**The CHAIR:** Yes, thanks for that. And I just note that the nascent industrial hemp industries and also the medicinal cannabis industries that I've been talking to have put their hands up and are saying that these sites, for a number of reasons, are something, in terms of advanced manufacturing, that they are looking at. But that's just a point I'm making.

**The Hon. COURTNEY HOUSSOS:** Yes, and certainly one that you raised with me previously and I know you are working with Minister Moriarty on.

**The CHAIR:** Fantastic. Minister, the *Future of Gas Statement*. I just want to get clear in my head how these reworkings on the strategic statement on coal and the *Future of Gas Statement*—are they going to operate concurrently at all? Is there any opportunity for the *Future of Gas Statement*, which affects a much smaller industry—in actual fact, an industry that barely exists at the moment in New South Wales—for that work to happen sooner rather than later? Or is there a staged approach: critical minerals, coal and gas? Is there a possibility that the *Future of Gas Statement*—again, a document produced by John Barilaro—could be considered before or concurrently with the critical minerals or the strategic statement on coal?

**The Hon. COURTNEY HOUSSOS:** I think I've been really clear that we're going to work through the Critical Minerals and High-Tech Metals Strategy first. In relation to whether the Future of Gas or the statement on coal—whether they can happen concurrently or whether that would happen consequently—we haven't taken a decision on that yet. That is certainly something that I would, in consultation with the department, work through. I take your point. Gas exploration is only permitted in 1.5 per cent of New South Wales. Under the existing statement, it is somewhat smaller. But we haven't made those decisions yet.

**The CHAIR:** Following up on a further area I was asking questions about, the point of consumption tax on online gaming, how much of it is hypothecated for a specific purpose and what is the quantum of that hypothecation? I know that some goes to Responsible Gambling. Maybe you could take that on notice.

**The Hon. COURTNEY HOUSSOS:** I'd be happy to pass you to the secretary, if he can provide you with a specific answer on that.

**MICHAEL COUTTS-TROTTER:** I have a figure in my mind, but we'll check and provide a response on notice.

**Ms ABIGAIL BOYD:** Minister, I want to quickly talk to you about the shared equity scheme. I understand it was widened to cover domestic and family violence victim-survivors in December after that process was gone through with DVNSW and others, which is great. Can you tell me how it works and, given what the criteria for it are but also given the criticisms of low uptake under that scheme, what you think that scheme is looking like now with that broader cohort of people?

**The Hon. COURTNEY HOUSSOS:** Yes. I will try to be quick because I know you want to get through your questions. Yes, there has been quite a low uptake of the scheme as a whole. We did commit to expand it to domestic violence survivors. I really want to thank Revenue NSW for the important work they did in relation to making sure that that process wasn't traumatic for the survivors themselves. There has also been a low uptake in the survivors, but my understanding is that that's also because some of the people who have applied under the domestic violence category may satisfy the other requirements. So rather than putting them through that particular part of the program, they have just gone through the original program. The pilot does run out in June. We're going to take a really close look at it. The Federal Government has introduced their own scheme, so there's more work to do in this space.

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**Ms ABIGAIL BOYD:** When it was first announced, I expressed concerns about how someone would be able to prove—the difficulties of that process when it came to domestic violence victim-survivors. How has that been addressed in the scheme?

**The Hon. COURTNEY HOUSSOS:** That was very sensitively handled, and I have to say, the consultation work that Revenue did—quite a lot in detail. I'm happy to pass to Mr Johnston to give you an answer now or this afternoon.

**Ms ABIGAIL BOYD:** I'll come back. I'll ask you one quick one in this last three seconds. Stamp duty exemptions for domestic and family violence victim-survivors, when they—I understand that, at the moment, you can get an exemption if you've got a divorce certificate, but it's not easy for anybody who has had a breakdown of relationship for other reasons. Is that something that you've investigated or looked into to make it easier for women to stay in their own home?

**The Hon. COURTNEY HOUSSOS:** Can I come back to you on that? That sounds like a really interesting idea but I want to get some advice and come back to you on that.

**The Hon. SARAH MITCHELL:** I want to come back to the Royalties for Rejuvenation. Can you clarify, Minister? I think you said before you've got \$5.2 million allocated over the next four years from that program. What's that for, exactly?

**The Hon. COURTNEY HOUSSOS:** That is, at this point, allocated as recurrent funding. That is funding towards establishing Future Jobs and Investment Authorities.

**The Hon. SARAH MITCHELL:** How does that play in with the panels that have already been set up under the fund? Are you creating a whole new structure?

**The Hon. COURTNEY HOUSSOS:** No. As I said to you earlier, we are considering what the role of the expert panels would be in the creation of our authorities and how the two will work together. We haven't made any decisions in relation to the expert panels and the authorities.

**The Hon. SARAH MITCHELL:** Why have you set up local authorities if you've already got expert panels?

**The Hon. COURTNEY HOUSSOS:** No. We committed to, in the election, setting up local Future Jobs and Investment Authorities. Your Government set up the expert panels and appointed them, I think in November—

**The Hon. SARAH MITCHELL:** Sure. But why do you need two lots? I don't understand.

**The Hon. COURTNEY HOUSSOS:** That's exactly what we're working through at the moment.

**The Hon. SARAH MITCHELL:** So you're going to get rid of the panels and have your authorities. Is that the plan?

**The Hon. COURTNEY HOUSSOS:** No. That's not what I'm saying. We are working through what the structure of those local authorities looks like. We haven't made those decisions yet. I look forward to being able to answer your questions once we've worked with the community on those decisions. What we have done is set up the delivery unit within Regional NSW that at the moment is coordinating our consultation, and then we'll work through once we establish the local authorities.

**The Hon. SARAH MITCHELL:** But the \$5.2 million is basically on the admin and the costs to set up your new authorities, even though you've got existing panels.

**The Hon. COURTNEY HOUSSOS:** The existing panels are because they were appointed by your Government. Under the legislation—

**The Hon. SARAH MITCHELL:** So? You just said before that they were great people providing that advice. You were quite positive about it.

**The Hon. COURTNEY HOUSSOS:** I said that they were committed locals and we were working through it.

**The Hon. SARAH MITCHELL:** Yes, so why not just keep them? What are you doing another lot of admin for?

**The Hon. COURTNEY HOUSSOS:** What we are doing is we are working through and working with communities as to whether the structure that you had in place—how that marries up with our election commitment. We are, as I've said, working through this carefully. Your Government appointed these people to expert panels,

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and I respect the individuals that are on them. But it's prudent of us to just check whether they are fit for purpose and match up with what we want to do in relation to the local investment authorities.

**The Hon. SARAH MITCHELL:** With respect, Minister, you've got communities at the moment that are facing imminent closures of their mines—Gloucester comes to mind as a very real example—who would probably like to have the admin sorted and just start to get on with seeing some benefits from this fund. I don't understand why you feel it necessary to recreate another layer of bureaucracy when you've got communities who aren't getting any support. What do you say to the people of Gloucester? Have you been to Gloucester? Have you met with that community in terms of your consultation?

**The CHAIR:** Great place.

**The Hon. SARAH MITCHELL:** It is a great place. My brother-in-law lives in Gloucester. Have you been as Minister?

**The Hon. COURTNEY HOUSSOS:** I've been to Gloucester many times.

**The Hon. SARAH MITCHELL:** Have you been as Minister responsible for—

**The Hon. COURTNEY HOUSSOS:** No, I haven't been.

**The Hon. SARAH MITCHELL:** Would you commit to going and meeting with Dave Layzell and some of the local community members to talk about these issues?

**The Hon. COURTNEY HOUSSOS:** You've asked me about six questions in a row there, Mrs Mitchell, so let me work through them. I have been to Gloucester on many occasions. I would make this point about the Stratford mine at Gloucester that was closed. I think it was operated by Yancoal, and they, again, have a really interesting proposal around a pumped hydro scheme.

**The Hon. SARAH MITCHELL:** That's great, Minister. I'm asking you whether you've been, and would you go with the local member and meet with the community?

**The Hon. COURTNEY HOUSSOS:** Mrs Mitchell, let me give you an answer to your question and let me say this: That mine was slated for closure for a long period of time that you were in government.

**The Hon. SARAH MITCHELL:** Point of order: I'm asking questions about the current budget.

**The Hon. COURTNEY HOUSSOS:** You appointed those expert panels in November.

**The Hon. SARAH MITCHELL:** I'm taking a point of order, Minister. I'm asking questions about the current budget. I'm asking the current Minister whether she will go to that community with the local member and meet with them. Talking about what happened under the former Government is not within the remit of these estimates hearings.

**The CHAIR:** I think there's some wide latitude given to witnesses to answer questions, and I do think that, in the context of the questions that you were putting to the Minister, the Minister's answer was entirely relevant. I don't uphold the point of order.

**The Hon. SARAH MITCHELL:** I do have limited time, though, Minister, as you would know. Will you commit to keeping the expert panels?

**The Hon. COURTNEY HOUSSOS:** I have been really clear from the outset that there are really committed locals on those expert panels. We will work through, as we establish the future jobs and investment authorities, about whether the expert panels are fit for purpose and relevant for those local communities, but we haven't made any decisions in relation to that.

**The Hon. SARAH MITCHELL:** So that's a no. Thanks, Minister.

**The Hon. COURTNEY HOUSSOS:** No, do not verbal me. I have not ruled that out.

**The Hon. SARAH MITCHELL:** No, I said, "Will you commit", and you said that you're looking at it all. That's not a commitment that you'll keep them. I want to turn now to the issues around the independent review you're doing into the small-scale titles that you mentioned before. On the website into the review, it says that the issues paper was released following consultation with key stakeholders. Which stakeholders were consulted with?

**The Hon. COURTNEY HOUSSOS:** This is a review that is being run through the department.

**The Hon. SARAH MITCHELL:** I'm asking you what stakeholders were consulted with.

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**The Hon. COURTNEY HOUSSOS:** This is a review that was established and is being run through the department. There was an independent process in place there to commission that work. In relation to the consultation, that is being done by the independent reviewer and by Norton Rose Fulbright.

**The Hon. SARAH MITCHELL:** Minister, can you tell me what public consultation has occurred so far?

**The Hon. COURTNEY HOUSSOS:** That's in the remit of the independent reviewer, who is then—

**The Hon. SARAH MITCHELL:** But you're the Minister. Don't you know?

**The Hon. COURTNEY HOUSSOS:** That is the remit of the independent reviewer, who is doing that work at the moment. I'm not doing the review. I have asked the department to commission an independent review. That reviewer is doing that work and, in the process, is consulting with the community. My understanding is that they have visited both Lightning Ridge and White Cliffs, and that they were meeting with a range of stakeholders out there. But in terms of the actual consultation process, I'm not undertaking that. The reviewer is undertaking that work.

**The Hon. SARAH MITCHELL:** Are you aware of concerns that farmers have, particularly in places like Lightning Ridge, that there is potential for mining to expand outside the current boundaries and onto land that is currently used solely for farming?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. SARAH MITCHELL:** What do you say to some of those farmers who are worried about potential biosecurity implications of having people coming onto their properties the purposes of exploration?

**The Hon. COURTNEY HOUSSOS:** They were absolutely the concerns that the farmers raised with me when I went and travelled out there in—I think it was May last year.

**The Hon. SARAH MITCHELL:** What have you done since then?

**The Hon. COURTNEY HOUSSOS:** They raised with me concerns around biosecurity. They also raised a number of other concerns. It was clear at that time that there needed to be a wholesale review. That's why I came back and asked for an independent review to be commissioned by the department, and that is what they are doing. They are working through these issues. I'd like to thank the farmers who have already made submissions to that. I understand that the reviewer went out to Lightning Ridge and to White Cliffs and met directly with the community, including with farmers and landowners. There is a range of things that we have put in place to clean up the mess that your Government created in relation to opal mining and invalidly issuing the mineral licences.

**The Hon. SARAH MITCHELL:** I'm asking particularly in relation to the farmers.

**The Hon. COURTNEY HOUSSOS:** Let me be clear.

**The Hon. SARAH MITCHELL:** I have one more question, Minister.

**The Hon. COURTNEY HOUSSOS:** Your Government did nothing in relation to addressing these concerns—concerns that they raised with me when I'd been in the job only weeks.

**The Hon. DAMIEN TUDEHOPE:** You're the Minister.

**The Hon. SARAH MITCHELL:** I have one last question. You said you've been out there and you've heard directly from farmers and landholders about their concerns. Will you provide a guarantee that no new country will be opened up to exploration until the finalisation of the review?

**The Hon. COURTNEY HOUSSOS:** I think that we've put something like that in place already. I think that I've said that publicly already.

**The Hon. SARAH MITCHELL:** Thank you. It's good to have it reconfirmed at this hearing. I'll hand to my colleagues.

**The Hon. CHRIS RATH:** Minister, from October to December 2023, in your diary disclosures you met with the unions eight times but the Royal Australian College of General Practitioners only once. Is that correct?

**The Hon. COURTNEY HOUSSOS:** It appears that you've analysed my diary disclosures closely. I'll accept your analysis.

**The Hon. CHRIS RATH:** Have you discussed any solutions with the GP sector to address retrospective payroll tax?

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**The Hon. COURTNEY HOUSSOS:** I have met on multiple occasions now with the RACGP, with the AMA and with individual practice owners in order to work our way through this issue.

**The Hon. CHRIS RATH:** According to the RACGP, only 3 per cent of practices across the State would have the money available to pay a backdated tax bill. Do you agree with that figure?

**The Hon. COURTNEY HOUSSOS:** I'd take them at their word. I'm engaging with them, my office is engaging with them and the Minister for Health is engaging with them as we try and work our way through this complex issue that has been long-running, Mr Rath.

**The Hon. CHRIS RATH:** Currently, as it stands, can auditors from Revenue NSW demand that GP clinics across New South Wales pay retrospective payroll tax on 4 September 2024?

**The Hon. COURTNEY HOUSSOS:** I made an announcement—and I'm just going to get the exact date for you—in August to provide certainty to the sector that audits would be paused. We passed the legislation through the Parliament. We legislated that 12-month pause to payroll tax audits on GPs. I would expect that was being enforced by Revenue NSW.

**The Hon. CHRIS RATH:** But that will come to an end on 4 September 2024, won't it?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. CHRIS RATH:** But only 3 per cent of practices can afford to actually pay their payroll tax bill, so what do you expect them to do after that time comes to an end?

**The Hon. COURTNEY HOUSSOS:** No, Mr Rath. Yes, it is true that the pause will end on 4 September, but let me just provide you with some of the history of the issue. This is a long-running issue that dates back to 2018, and since the very first days of being sworn in as a Minister I have been working on this issue. I have met with the RACGP. I have discussed this with the Minister for Health. I have met with the AMA. I have met with individual practice owners and I have met with regional medical practice owners. We are going to find a solution to this problem that your Government—indeed, your colleague sitting next to you—failed to deal with for five long years. What we have done during our time in government is meet with doctors directly, engage with them and try to come up with a solution. What your Government did was chase them through the courts. Indeed, when he was the finance Minister, Mr Tudehope didn't meet with the RACGP or the AMA at all to discuss this issue.

**The Hon. CHRIS RATH:** Minister, when this was before the Legislative Council—

**The Hon. DAMIEN TUDEHOPE:** Maybe that's not true.

**The Hon. CHRIS RATH:** —you stated that the Government would look at what steps other jurisdictions have taken to address this issue. Are you aware of the Queensland Government's model?

**The Hon. COURTNEY HOUSSOS:** Yes, I am.

**The Hon. CHRIS RATH:** In Queensland, they've basically brought in a five-year amnesty. Would you commit to a scheme like that in New South Wales?

**The Hon. COURTNEY HOUSSOS:** I won't commit to that today. I do understand that retrospectivity is a huge concern to GPs. They have raised that in their conversations with me. They have raised that in their conversations with the Minister for Health. We understand that is a crucial point that we are trying to address. But we are working through this issue to find a solution, Mr Rath. Let's be clear about that. Your Government, when you were in government, did nothing to resolve this except chase doctors through the courts.

**The Hon. CHRIS RATH:** But you also voted down our amendment in the Legislative Council to provide that amnesty. So it's all well and good to talk about the history, but in a more recent example you voted against a solution that the Opposition was putting on the table, didn't you?

**The Hon. COURTNEY HOUSSOS:** Let's be clear about what the true cause of the pressure on GPs is.

**The Hon. CHRIS RATH:** It's the Federal Labor Government.

**The Hon. SARAH MITCHELL:** Yes, exactly.

**The Hon. COURTNEY HOUSSOS:** I absolutely thank our hardworking GPs for the important work that they do in our communities each and every day providing primary health care. I deeply respect the important work that they do. They have, for a long time—for over a decade, because of your Federal Liberal-Nationals counterparts who failed to index the bulk-billing rate, which has been estimated to have cost them billions of dollars—been under unprecedented pressure. So because of that situation, we legislated for a pause. The Federal Labor Government has tripled the bulk-billing incentive. That came into effect in November. It was announced in

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their budget in May; it came into effect in November. But we are only starting to see the effects of that flowing through to GP practices. Indeed, that's what they told me when I met with them just weeks ago that they were starting to see the effects of those changes to bulk-billing.

The point of the 12-month pause was that we could work through this problem and find a solution in a considered away. Retrospectivity is a key challenge that we have to address, but we operate under a nationally harmonised payroll tax system and different States are finding different solutions. We are considering those different solutions as we find one in working with our doctors, in working with the community, in working with patients. We want to get the best health outcomes for our community and I'm working closely with my colleague Minister Park as we find that solution.

**The Hon. CHRIS RATH:** In terms of the other States, don't you agree that the Queensland model is a better model than what we have here in New South Wales? Why not just implement a similar type of policy?

**The Hon. COURTNEY HOUSSOS:** That kind of simplistic policy approach is not one that I'm interested in. Your Government, when you were part of the Government, failed to introduce any solution to this, so we are—

**The Hon. CHRIS RATH:** We put an amendment on the table for you to consider.

**The Hon. COURTNEY HOUSSOS:** What we are doing is working through and finding a bespoke solution that's going to work best for the healthcare system here in New South Wales, and we're not just going to blindly implement something that the Queenslanders are doing. That might be working well for them and I'm certainly—we're taking a close look at that. But we're going to find the solution that works best here in New South Wales, supports our doctors, supports our patients, supports our community.

**The Hon. CHRIS RATH:** Will you commit to a clarification on what constitutes a relevant contract?

**The Hon. COURTNEY HOUSSOS:** That's central to the work that we're doing.

**The Hon. CHRIS RATH:** So you'll commit to that. Will you also commit to no retrospective collection of payroll tax liabilities?

**The Hon. COURTNEY HOUSSOS:** I just made that point, Mr Rath, that that is one of the central issues that GPs are raising with me.

**The Hon. CHRIS RATH:** But you can't commit to it today?

**The Hon. COURTNEY HOUSSOS:** That is one that we are working through. I'm not going to make an announcement here today. I'm not going to work on this on your timetable. We are going to work through this carefully and methodically, as we have been for months. Since I was first sworn in as a Minister, we started work on this problem. Your Government threw their hands up in the air, walked away from it, refused to deal with it, chased doctors through the courts. We are working with doctors and committed to finding a solution for them.

**The Hon. CHRIS RATH:** Has your department or Treasury done any modelling on how many GP clinics in New South Wales would become instantly insolvent to meet their retrospective payroll tax bill?

**The Hon. COURTNEY HOUSSOS:** We're working through this problem. The idea that—there are a number of pejorative phrases in that particular—

**The Hon. CHRIS RATH:** What, insolvent?

**The Hon. COURTNEY HOUSSOS:** —assertion that you've made. We will, of course, work through this problem carefully. We will, of course, consider what the implications are. We're discussing this directly with GPs, directly with the community. I'm speaking to Minister Park about this. We're absolutely committed to finding a solution on this difficult problem that your Government failed to address for five long years.

**The Hon. CHRIS RATH:** What about modelling on how much the cost of a visit to a GP could rise if retrospective payroll tax is applied to GPs? Have you seen any modelling on that?

**The Hon. COURTNEY HOUSSOS:** I saw the story that ran in the newspaper a couple of weeks ago. Of course we'll consider the impact. The impact on families at a time when cost-of-living pressures are enormous is one of the driving factors in us finding a solution to this problem. We don't want people to be making a decision about whether they feed their family or they go to the doctor. That's the situation that they find themselves in because of your Government's inaction, because your Government failed to address this problem in any way. We are absolutely committed to working through it. We'll find a solution. But this kind of "rule this in, rule this out", that's just not going to happen today.

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**The Hon. CHRIS RATH:** You have been in government for almost a year, Minister. Given you've been in for a year, where is the promised NSW Jobs First Commission?

**The Hon. COURTNEY HOUSSOS:** We have commenced work on establishing that and scoping out the work. We've started work within Treasury on establishing that.

**The Hon. CHRIS RATH:** A bit lethargic, don't you think?

**The Hon. COURTNEY HOUSSOS:** I wouldn't agree with that, but that's your assertion.

**The Hon. CHRIS RATH:** When will it start work?

**The Hon. COURTNEY HOUSSOS:** I don't have an announcement on the time frame today, but I can tell you that we have begun to establish the commission and we're working towards a timetable of introducing that legislation probably later this year.

**The Hon. CHRIS RATH:** Who has picked up the work of the advanced manufacturing commissioner? Does that fit with you or with Minister Chanthivong?

**The Hon. COURTNEY HOUSSOS:** I am the Minister for Domestic Manufacturing and Government Procurement. I am working closely with my colleague the industry Minister in relation to ways that we can rebuild domestic manufacturing. I certainly acknowledge the important work done by the Modern Manufacturing Commissioner, but it was your Government that didn't provide any ongoing funding for that position.

**The Hon. CHRIS RATH:** Again, 12 months in power—when can we expect to see the New South Wales Government announce a modern manufacturing strategy?

**The Hon. COURTNEY HOUSSOS:** That wasn't what we took to the election as being our plan. That might have been your plan, but we're not signing onto your plan. Your Government's legacy on domestic manufacturing was to decimate our local manufacturing industry. I held a round table two weeks ago and was told that New South Wales is the least hospitable State in the country for local manufacturing. These are advanced manufacturers who have prospered and thrived in spite of your Government's negligence.

**The Hon. CHRIS RATH:** Minister, when was the Procurement Policy Framework last updated?

**The Hon. COURTNEY HOUSSOS:** Let me have a look at that specific question. In relation to the Policy Procurement Framework, I would think it was probably updated when I issued my ministerial direction in November. But I'd probably take some advice, perhaps, from the deputy secretary in relation to that.

**SONYA CAMPBELL:** Yes, I'll be able to come back with a date on the most recent updates.

**The Hon. CHRIS RATH:** Is the department or Minister undertaking work at the moment to update it?

**The Hon. COURTNEY HOUSSOS:** Yes.

**The Hon. CHRIS RATH:** Because in the previous Government that you so persistently mention the record of, it was updated at least twice a year since 2019. But the most recent version that we can see, at least publicly, is that it hasn't been updated since 6 April 2022. Is that correct?

**The Hon. COURTNEY HOUSSOS:** I'm not sure. I think the deputy secretary just said that she would come back with a specific date on that. What I can tell you is we're not interested in updating the policy framework. We're interested in updating and taking a fresh look at the entire devolved procurement model. That's exactly why, as we've spoken about extensively today, Dr Kaine is undertaking her inquiry. We've commenced work. We've established, through work being led out of the Cabinet Office, a whole-of-government approach to better leverage our procurement. We don't think that the devolved procurement model as it is operating currently is the most effective way of the Government leveraging its important and precious government procurement dollars, and we will absolutely be updating that.

**The Hon. DAMIEN TUDEHOPE:** Minister, I think one of the things we've gained out of today is that you've done actually nothing since you've been the Minister except order reviews.

**The Hon. STEPHEN LAWRENCE:** Point of order: It's not a question; it's just a gratuitous swipe.

**The CHAIR:** It was gratuitous swipe. Unfortunately, Mr Tudehope, you've wasted your time making gratuitous swipes rather than asking a question.

**The Hon. DAMIEN TUDEHOPE:** It was a statement of fact, quite frankly.

**The CHAIR:** I have some questions. Minister, you would be well aware that there is an inquiry on foot that Ms Faehrmann has been participating in on the current and potential impacts of gold, silver, lead and zinc

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mining on human health and other factors. That's due for a response from the Government on the 14th of this month. A lot of people who have long been concerned, particularly with Cadia goldmine, are awaiting that response. Are you aware of the inquiry? Are you leading the response from the Government to that inquiry?

**The Hon. COURTNEY HOUSSOS:** I am absolutely aware of the inquiry, and I am aware that it has concluded and presented a report. Work is underway across government to respond to the recommendations. From memory, I think there are three that are directly relevant for the mining portfolio that will require a direct response. But, yes, we are absolutely aware of that inquiry.

**The CHAIR:** Have you visited the Cadia goldmine?

**The Hon. COURTNEY HOUSSOS:** Yes, I have.

**The CHAIR:** Do you think it is a model of responsible mining that should inform potential future mining in New South Wales?

**The Hon. COURTNEY HOUSSOS:** I would probably defer to the regulator in terms of what is a model for other mining. I certainly went to visit it as Australia's largest goldmine. I understand the long history of the Cadia mine in terms of providing jobs that support both directly in Orange but across the Central West, and I wanted to see that firsthand. I thought that was important. In relation to whether it's a model for other mines, I would probably defer to the regulator for advice on that.

**The CHAIR:** You are well aware of the concerns of a lot of people that raised concerns before the mine was a reality and during its growth about the impact on air quality, in terms of dust, and human health? You'd be aware of that now?

**The Hon. COURTNEY HOUSSOS:** I have to say I am aware, also—and it was remiss of me not to mention earlier, Mr Buckingham—of your long history in advocating on these issues. I am certainly aware of them. I have to say, part of how I became aware of them was in my previous role as country organiser for the Labor Party. But also, when I was first elected here, I know that you raised issues around the Cadia mine consistently in the Parliament.

**The CHAIR:** Yes, and on Orange City Council for very many years. Would you recommend to anyone—would you recommend to friends or family—to live adjacent to the Cadia mine?

**The Hon. COURTNEY HOUSSOS:** In terms of the community safety around the mine, that really is governed by the EPA, and I think that was thoroughly tested through that inquiry. I would expect that it is safe for people to live close to mines. In our mining system—

**The CHAIR:** Do you think it is safe to live close to that mine?

**The Hon. COURTNEY HOUSSOS:** I think it is. I know that there has been a lot of community concern around the impact of the mine. I have to say the feedback that I often get from the mining industry is that the planning and the regulatory framework that they operate within in New South Wales is tougher and more difficult and more onerous than in other States. That's fundamentally because we have a different mining industry in New South Wales. Our mines are largely located close to communities, and that means we do have to make sure that there is a rigorous process in place to ensure community safety. They have important local jobs and they have an important role to play in sustaining local communities, particularly across regional New South Wales. But the other part of that is we have to make sure it's safe. In terms of my responsibilities as the Minister for mining and the regulator's role, it is in relation to what occurs on the mine site. The community aspect is regulated by the EPA.

**The CHAIR:** In terms of what's occurring on the mine site, there was a major dam wall collapse at Cadia before your time as Minister. Are you confident that that is being properly managed now and can be properly managed into the future, considering that, essentially, the mine wall has collapsed and the tailings dam continues to move into the landscape? Are you confident that the rigorous process that you've talked about is going to afford us the environmental protection and community protection that we need in regard to that dam wall collapse?

**The Hon. COURTNEY HOUSSOS:** I would make a couple of points in response to this. I do believe we have a robust regulatory system in New South Wales, where we have the Resources Regulator and the EPA working together in order to protect the community and workers. I think that's important. I do have confidence in that scheme. In relation to the specific questions, I think they're probably best posed either to the regulator or to the EPA to respond. But I am confident and, as we formulate our Government response to the upper House inquiry, I would take on board those recommendations in formulating or making any changes that would be required.

**Ms CATE FAEHRMANN:** Minister, we'll stick with the report into heavy metals mining and the impact of silver, gold, lead and zinc mining on human health and the environment, which, as you know, has

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reported. In terms of the findings of that report, most of that report was agreed to—ultimately the minutes reflect this—as a result of agreement between Government and Opposition members on a range of different findings. What role did you have in advising the Government members on that committee of the findings and the recommendations that would ultimately form this report?

**The Hon. COURTNEY HOUSSOS:** I did broadly follow the committee's work. I think this is an important issue and I know that it's one that you've done a lot of advocacy on, Ms Faehrmann, in working with those local communities there. I was broadly aware of it, but I certainly provided no specific directions on specific findings or recommendations to the committee members.

**Ms CATE FAEHRMANN:** For example, one of the terms of reference for the inquiry was to look at the effectiveness of current decommissioning and rehabilitation practices in safeguarding human health and the environment. My question is—which, again, is reflected in the minutes for everyone to see—why did the Labor members move to remove the entire section of that report that dealt with all of the evidence and the recommendations and the findings in terms of mining rehabilitation?

**The Hon. COURTNEY HOUSSOS:** Ms Faehrmann, that is really a question for the Labor members on the committee. I would make this point. We've discussed at length the procurement inquiry that I've written to Dr Kaine to establish. I really take seriously the work of parliamentary inquiries. I think they're a great opportunity to unpick complex and difficult public policy issues. I deeply respect the process. But in terms of the specifics of how the Government members voted on the committee, that's certainly not something that I directed them to do. I have read the recommendations of the committee. I've also read your dissenting statements. I understand that there was heated debate in formulating that committee report, but that's ultimately a matter for them.

**Ms CATE FAEHRMANN:** The issue of silicosis, for example, which you agree is an important one—let's go back to that for Cadia, for example. Do you know how many workers have got silicosis that are working in Cadia mine?

**The Hon. COURTNEY HOUSSOS:** I'm aware there are two health monitoring events involving historical silicosis. But I think, in terms of specifics in relation to the investigation, it's really best answered by the regulator rather than by me.

**Ms CATE FAEHRMANN:** In terms of numbers, then, Mr Day? I don't need any more than that; I can speak with you this afternoon.

**PETER DAY:** We've had three overall over the years. One was in 2019 and the two current ones that have been diagnosed were back in June 2022 and August last year. The one in 2019 wasn't confirmed as silicosis. It was investigated as a potential one but hasn't been diagnosed as silicosis.

**Ms CATE FAEHRMANN:** With the Government members on this Committee, we were hoping to be able to ask questions of the country's leading silicosis expert and treating doctor, Professor Deborah Yates, but one of the Government members moved that she not appear before the inquiry. That seems quite extraordinary, doesn't it, Minister? It seems like your Government has something to hide when it comes to what is going on within Cadia goldmine when it comes to silicosis.

**The Hon. COURTNEY HOUSSOS:** I'm not aware of that particular decision taken by the Government members in relation to the witness list. Like I say, that's ultimately a question for the Government members themselves.

**Ms CATE FAEHRMANN:** In other words that didn't happen. You also weren't aware of the gutting of the report, essentially, in terms of a lot of evidence that we heard from the community in relation to the impact of heavy metal mining on communities. This report was absolutely gutted by Government members. You're saying you had nothing to do with that and you didn't know about it, as the Minister responsible for regulating this sector?

**The Hon. COURTNEY HOUSSOS:** I would say I have read the final recommendations and I took the time to read your dissenting statement. I know that you were very passionate about this issue but, ultimately, the committee report is a question for the committee members themselves, and the deliberations are ultimately voted on by those committee members.

**Ms CATE FAEHRMANN:** So what we've ended up with is a report that doesn't recommend any improvements to the way in which mines are rehabilitated or heavy metal mines are decommissioned, which is an extraordinary missed opportunity. How things have gone in this place for many years is that government members will bring forward solid recommendations that they know that their government can potentially implement. That's the way it goes. But for some reason you, as resources Minister, were completely shut out. This was an incredibly important report, and now there are no recommendations coming from it. Did it concern you when you read the report and the dissenting statements that you were shut out of this?

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**The Hon. COURTNEY HOUSSOS:** I wouldn't agree with your characterisation that I was shut out. I do think it's an important parliamentary inquiry, and I let that parliamentary inquiry take its course. We're formulating our response to that, but I'd also make this point: Legacy mines and the historical lack of regulation around rehabilitation is a concern for me, and it's certainly something that we are doing work on. But I respect the process, Ms Faehrmann. I respect that we will respond to the committee report as it's presented to us as a government.

**Ms CATE FAEHRMANN:** The process is that the majority of evidence that would have helped you and your Government—the suggestions by the community and by experts that this is what is needed in this area—in the end became completely useless. Let's go back to mining rehabilitation. In terms of reform, what processes and steps has your Government taken? Let's forget the report; the report does not reflect in any way what the vast majority of members of the community told us. How is your Government looking at what it needs to do in terms of mining rehabilitation? Because the report is next to useless in that regard, unfortunately. Sorry, upper House committees. You did a great job. We couldn't help what happened in that deliberative.

**The Hon. COURTNEY HOUSSOS:** There are two separate parts to the rehabilitation requirements. There's obviously historical legacy mines—what we call legacy mines—and we are left to deal with the consequences of those. What I am confident of is that we have a robust rehabilitation scheme in place at the moment. Indeed, some of the questions that I answered earlier in relation to the rehabilitation requirements around our coalmines are ones that we should revisit. We want to make sure that they're fit for purpose and that they're working for the community. But the challenges of mining that perhaps commenced over 100 years ago and the lack of regulation around that are ones that we are absolutely dealing with. The total security bonds that are held by the New South Wales Government is \$3.8 billion for rehabilitation. The mining regulator continues to monitor mines daily to make sure that this rehabilitation is up to date. It's also important that, as we discuss this issue, we don't confuse the two. There is a legacy mines issue that we are facing, but there is also then the mining that's occurring today.

**Ms CATE FAEHRMANN:** With that \$3.6 billion, how much of that is spent each year on the work of rehabilitating mines?

**The Hon. COURTNEY HOUSSOS:** That's an excellent question that I might just hand over to the Resources Regulator to answer.

**PETER DAY:** It's important to recognise that \$3.8 billion is actually held as a bond and it's only used as a last resort, so it's not actually used to rehabilitate ongoing mines. That's part of their current program. Part of the current regulatory framework for rehabilitation requires them to submit an annual work program and a three-year forward program so we can better monitor compliance with that. That money is not touched for current rehabilitation activities. It is there as an absolute last option in case, say, the company fell over or we weren't satisfied with what had happened in terms of rehab at that point in time.

**Ms CATE FAEHRMANN:** I'll come back to you, Mr Day, I think, as well. Let's stick with the rehabilitation costs. A question was asked about the Russell Vale Colliery in terms of its rehabilitation costs. I'm particularly concerned about what provisions have been made to manage and assess the ongoing loss of water from the water catchment of that mine, whether there's been any work undertaken by the department and whose responsibility that ultimately becomes, because there is polluted water, as we know, coming from the mine as well. Is there responsibility here, or is this all going back to the EPA? One thing we found during the inquiry was that responsibility for this did seem to slip through the cracks between agencies, to be honest.

**PETER DAY:** I'll take that on notice, in terms of water management at Russell Vale. I'll come back later on with that one. But in terms of the actual work underway there, in terms of Russell Vale itself, part of the process at the moment is there is a prohibition notice in effect on the site for production. The company still has the option of submitting a response program to address that to potentially restart operations. They haven't done that as yet—

**Ms CATE FAEHRMANN:** So mine closure for that mine has not been prepared then?

**PETER DAY:** If they intend to actually formally shut that mine, they will need to prepare a mine closure plan. That will require some studies that will address the water issues you're talking about, and that will take some time. That informs then, ultimately, what has to happen in terms of the rehabilitation at the site.

**Ms CATE FAEHRMANN:** I understand that it's unlikely that another operator will take that over. At what point does the Minister or the regulator step in in relation to Russell Vale and say we need a closure plan and we need one soon?

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**PETER DAY:** Ultimately, those are commercial decisions. What doesn't change is the prohibition on operations until those safety issues are addressed. From my point of view, that's what I can answer. Any commercial decisions are going to be a matter for the company and any other potential companies, but what doesn't change is the fact that the prohibition notice is in effect until someone comes back to us with measures that we would accept as addressing the safety issues.

**Ms CATE FAEHRMANN:** Minister, what happens then? I can see that the Minerals Policy Institute did a report into mine rehabilitations that basically said, in relation to this particular mine and the operators, that the company's precarious financial position shed doubt on whether it can be properly remediated, indicating that there is a lack of commitment to effective mine closure—how difficult it is for any company in terms of the full-on liabilities that this company has. And this is what happens, isn't it? Companies close the mines. In terms of any commercial operator taking these mines over with such a massive legacy in terms of how much rehabilitation is going to cost, isn't one of the issues that, unless the Government does something and orders closure, it looks incredibly unappealing to any of those commercial entities that are looking at potentially buying, for example, Russell Vale?

**PETER DAY:** In terms of the commercial viability of the mines, that's not my field and I obviously can't get involved in that.

**Ms CATE FAEHRMANN:** Maybe the Minister should answer it then, because it's a policy decision.

**PETER DAY:** But in terms—

**Ms CATE FAEHRMANN:** If you can't answer it, if it's more a policy decision—

**PETER DAY:** Yes, but in terms of the rehab bond, that stays in place regardless of who transfers the title over.

**Ms CATE FAEHRMANN:** Sure. But this is one of the issues, I think, with mine rehabilitation, Minister—that it is very unattractive for a lot of the companies to buy. These companies are going under. It sounds like we're waiting for a buyer for Russell Vale. In the inquiry that we did into heavy metal mining, we had a big long chapter on this. Has there been any consideration about what the Government can do in this regard? The situation is only going to get worse. It's not getting better any time soon.

**The Hon. COURTNEY HOUSSOS:** The question of rehabilitation is one that I'm really interested in and that we've done quite a lot of work on.

**Ms CATE FAEHRMANN:** You should've spoken to your Labor members in that committee, Minister, before they went in, I think.

**The Hon. COURTNEY HOUSSOS:** In relation to the post-mine land use opportunities I spoke about earlier—for example, at Mount Arthur, or at Gloucester, at Stratford—there are different proposals that mining companies are looking at, doing things like pumped hydro or perhaps, given the buffer zones, there may be opportunities for farming on that land. One of the options that BHP was consulting with was some kind of bird—what are they called? The fly—it's a huge void at Mount Arthur. It's like four or five Sydney Harbour Bridges or something, they told me—or maybe it's three. Maybe I'm just over-exaggerating now. But they're looking at all kinds of different projects in terms of opportunities for post-mine land use. The challenge that we face is that opening up that consent process can be difficult.

You're right to say that the requirements around rehabilitation can be onerous, but I think that's right. We don't want to get ourselves into a situation like we have with many of these legacy mines where we have the community essentially stuck with the bill. In relation to Russell Vale, we will absolutely enforce those requirements on the company. Just because they've made a commercial decision not to operate the mine doesn't mean their rehabilitation obligations cease. I've been really clear that we will continue to enforce those. I can see the CEO of MEG is keen to add to my answer.

**GEORGINA BEATTIE:** The regulation framework is very strong for rehabilitation. Russell Vale was due to close in 2025. It's brought that decision early by 12 months, which is a commercial decision for the operator. But the cost of rehabilitation sits with the title holder. If another operator was to come in, they would take over that full responsibility for rehabilitation. But, having said that, we are confident with the security bonds that we hold for that site that, in the event that the Government had to step in, we are covered for the rehabilitation costs to meet that final end land use of the approved condition.

**The CHAIR:** Thank you. We have time for just one question from the Opposition.

**The Hon. DAMIEN TUDEHOPE:** Minister, one question: Have you seen any bargaining parameters for the fires union?

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**The Hon. Dr SARAH KAINE:** He's the newest member.

**The Hon. BOB NANVA:** A champion of the firies.

**The Hon. COURTNEY HOUSSOS:** I understand you joined—

**The Hon. DAMIEN TUDEHOPE:** Have you seen any bargaining—

**The CHAIR:** You have to declare a conflict of interest.

**The Hon. Dr SARAH KAINE:** He's got the T-shirt.

**The Hon. SARAH MITCHELL:** I'd like to know too.

**The Hon. Dr SARAH KAINE:** Did you declare the T-shirt?

**The Hon. CHRIS RATH:** Solidarity!

**The Hon. DAMIEN TUDEHOPE:** Solidarity! Have you seen any bargaining parameters yet, Minister?

**The Hon. COURTNEY HOUSSOS:** I understand you joined the march, yesterday, Mr Tudehope. Is that—I mean, talk about a road to Damascus.

**The Hon. SARAH MITCHELL:** You've used that line already.

**The Hon. COURTNEY HOUSSOS:** Have you got an interest to declare there, Mr Tudehope?

**The Hon. BOB NANVA:** We don't do parameters now. We don't do parameters.

**The Hon. DAMIEN TUDEHOPE:** Have you seen any bargaining parameters, Minister?

**The Hon. BOB NANVA:** Bargaining proposals now.

**The Hon. COURTNEY HOUSSOS:** Have you got an interest to declare?

**The Hon. DAMIEN TUDEHOPE:** This is a union which needs a resolution.

**The Hon. SARAH MITCHELL:** It's a serious question.

**The Hon. DAMIEN TUDEHOPE:** Have you seen any bargaining parameters?

**The Hon. COURTNEY HOUSSOS:** I'm not sure. I would just say this: I commend the work of the industrial relations Minister in establishing a new industrial framework—

**The Hon. DAMIEN TUDEHOPE:** So you haven't. That's okay.

**The Hon. SARAH MITCHELL:** That's a no.

**The Hon. COURTNEY HOUSSOS:** —that involves us sitting down with our workers—

**The Hon. DAMIEN TUDEHOPE:** So that's a no.

**The Hon. SARAH MITCHELL:** It's going well with the firies.

**The Hon. COURTNEY HOUSSOS:** —and dismantling your wage suppression that occurred under your wages cap.

**The Hon. DAMIEN TUDEHOPE:** So that's a no.

**The Hon. COURTNEY HOUSSOS:** It's going to be a robust system and I look forward to it.

**The Hon. DAMIEN TUDEHOPE:** How do you resolve it, Minister?

**The CHAIR:** Thank you very much. I mildly regret allowing that question. That is the end of this morning's session, because we do not have questions from the Government. Thank you, Minister, for attending the hearing. Thank you for your answers. We will reconvene at 2.00 p.m. for further questioning of our officials.

**(The Minister withdrew.)**

**(Michael Coutts-Trotter withdrew.)**

**(Luncheon adjournment)**

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**The CHAIR:** The time being 2.00 p.m., we will recommence the hearing and the inquiry into expenditure in the portfolio area of Premier and Finance. We will recommence with questions from the Opposition.

**The Hon. DAMIEN TUDEHOPE:** I don't know necessarily who this question goes to, so that's probably a bad start. Who looks after the domestic manufacturing portfolio in Treasury?

**SONYA CAMPBELL:** That would be me, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Thank you, Ms Campbell. In relation to that aspect of the Minister's portfolio, how many full-time employees are allocated to that section of the Minister's portfolio?

**SONYA CAMPBELL:** Mr Tudehope, we are working within the current NSW Procurement team on supporting the Minister with her election commitments. But we have reprioritised work across the team to be able to provide advice to the Minister on those specific commitments.

**The Hon. DAMIEN TUDEHOPE:** But there are no staff which are separately allocated?

**SONYA CAMPBELL:** Correct.

**The Hon. DAMIEN TUDEHOPE:** You are the domestic manufacturing team, so to speak.

**SONYA CAMPBELL:** Currently, yes, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** I understand that. There is a process that the Minister alluded to—the setting up of the NSW Jobs First Commission.

**SONYA CAMPBELL:** Correct.

**The Hon. DAMIEN TUDEHOPE:** Have we allocated or at least done some modelling for a budget in relation to the establishment of the commission?

**SONYA CAMPBELL:** We have.

**The Hon. DAMIEN TUDEHOPE:** In relation to that modelling, how much have you set aside for the purposes of the establishment of the commission?

**SONYA CAMPBELL:** Those are decisions yet to be made by this Government as part of the upcoming budget process, depending on the operating model.

**The Hon. DAMIEN TUDEHOPE:** In terms of the preparation of the operating model, are there various iterations of that model?

**SONYA CAMPBELL:** Yes, there are. We have benchmarked different models across other jurisdictions, Mr Tudehope, and provided that advice to the Minister for the purposes of decision-making to inform the upcoming budget.

**The Hon. DAMIEN TUDEHOPE:** In relation to those other jurisdictions, which ones, specifically, are you looking at?

**SONYA CAMPBELL:** We've looked all across the country, Mr Tudehope—Victoria, Queensland, South Australia, Western Australia. We are looking to identify what has been working well and perhaps what may not have been working so well in terms of forming that advice.

**The Hon. DAMIEN TUDEHOPE:** For the purposes of setting up the commission, how many FTEs do you expect will support the commissioner?

**SONYA CAMPBELL:** That's still a decision for Government, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** For the purposes of where Treasury sits in all of this, what does Treasury understand the term of "domestic manufacturing" to mean?

**SONYA CAMPBELL:** Yes. Obviously this will be part of policy development, which hasn't yet been approved by Government. You'd be aware that there are existing policies that do deal with local, such as our SME and regional business policies. Obviously we will be having regard to free trade agreements in terms of a definition of "local" that encompasses Australia and New Zealand.

**The Hon. DAMIEN TUDEHOPE:** Is that the definition that you're currently working on for the purposes of identifying domestic manufacturing—Australia and New Zealand?

**SONYA CAMPBELL:** Yes. We're working on policy proposals to take to the Government for their decision.

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**The Hon. DAMIEN TUDEHOPE:** It's probably again you, Ms Campbell. If it's not I'm sure you'll flick to the right person. In respect of the Procurement Policy Framework, you would have heard some questions which were asked before lunch in relation to that. I think on the website it says that new board directions and Government policies are published on a regular basis. The Procurement Policy Framework is reviewed a few times a year to incorporate new requirements. It was last updated in April 2022.

**SONYA CAMPBELL:** That's correct.

**The Hon. DAMIEN TUDEHOPE:** Since that time, of course, we've had the threshold for SME and regional procurement policy raising from \$150,00 to \$250,000. That was three months ago.

**SONYA CAMPBELL:** Yes.

**The Hon. DAMIEN TUDEHOPE:** However, the framework still hasn't been updated on the website.

**SONYA CAMPBELL:** Yes.

**The Hon. DAMIEN TUDEHOPE:** In terms of the policy position in respect of that, it would be confusing for people or agencies who are dealing with the Government if it's not updated.

**SONYA CAMPBELL:** Those agencies will all be subject to the Procurement Board directions that have been issued. There have been six in recent times. The Procurement Policy Framework itself is currently being updated, and my advice is that that will be published this month.

**The Hon. DAMIEN TUDEHOPE:** So this month it will be updated?

**SONYA CAMPBELL:** March, correct.

**The Hon. DAMIEN TUDEHOPE:** You would be aware of the reference to the social issues committee of an inquiry into the Government procurement policy.

**SONYA CAMPBELL:** Yes.

**The Hon. DAMIEN TUDEHOPE:** And that's to report by the end of July 2024.

**SONYA CAMPBELL:** Correct.

**The Hon. DAMIEN TUDEHOPE:** Is there any concern by Treasury about the potential of the inquiry to develop recommendations in relation to procurement policy, which, in fact, currently stagnates the work of procurement? Because there may be recommendations that that inquiry makes that would cut across current procurement policy.

**SONYA CAMPBELL:** We have facilitated a whole-of-government submission to that inquiry, which you may have seen. We would be looking to the—

**The Hon. DAMIEN TUDEHOPE:** Are you currently operating within that whole-of-government submission?

**SONYA CAMPBELL:** Yes.

**The Hon. DAMIEN TUDEHOPE:** Is that the current policy framework?

**SONYA CAMPBELL:** The whole-of-government submission is factual, correct, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** And that's the current policy framework.

**SONYA CAMPBELL:** Correct.

**The Hon. DAMIEN TUDEHOPE:** In relation to the updated board direction on "Skills, training and diversity in construction", which was issued in August 2023, what are the main updates from the previous version of that directive?

**SONYA CAMPBELL:** That is a good question, Mr Tudehope. I was looking at this myself yesterday.

**The Hon. DAMIEN TUDEHOPE:** I'm disappointed you were anticipating my questions.

**SONYA CAMPBELL:** I'm just well read, Mr Tudehope. I believe it is really reflecting the position that's been in place, but I might have to take that question on notice as to the specific differences between the previous position and the updated one.

**The Hon. DAMIEN TUDEHOPE:** It appears to do a couple of things. It does appear to report on the number of women in trade roles. That appears to be one.

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**SONYA CAMPBELL:** Yes, correct.

**The Hon. DAMIEN TUDEHOPE:** And it reports on the number of women in non-traditional roles. For example, training and management guidelines would seem to suggest that there is a reporting ability for non-traditional roles for women.

**SONYA CAMPBELL:** Yes.

**The Hon. DAMIEN TUDEHOPE:** The updated policy issued in August still refers to the 2019-20 infrastructure commitment of \$97 million by the previous Government. The current version of your August 2023 policy refers to an infrastructure commitment of \$97 million. It's more than that now, isn't it?

**SONYA CAMPBELL:** Can I just clarify, Mr Tudehope? Are you referring to the Procurement Board direction or the policy?

**The Hon. DAMIEN TUDEHOPE:** No, the updated policy document issued in August 2023. It makes reference to an infrastructure commitment of \$97 million. That figure is incorrect, isn't it?

**SONYA CAMPBELL:** I'd say two things. The policy responsibility for this sits with Infrastructure NSW and the Department of Education, in terms of the skills for the construction sector.

**The Hon. DAMIEN TUDEHOPE:** I think that's probably right, yes.

**SONYA CAMPBELL:** As you would be aware, the budget numbers will change with each budget and half-year review in terms of the infrastructure spend.

**The Hon. DAMIEN TUDEHOPE:** I just wondered whether the Minister had seen that board direction before it was published.

**SONYA CAMPBELL:** It would have been provided to her, Mr Tudehope, yes.

**The Hon. DAMIEN TUDEHOPE:** Ms Campbell, Procurement Board Direction PBD-2023-04, "Mandated registration of all NSW government suppliers on the buy.nsw Supplier Hub", states that if an international business wishes to do business with the New South Wales Government, it doesn't have to supply an Australian ABN. There's a simplified registration process which must be completed. The kicker is this: The business will not be included in the all-of-government supplier list. Is that your understanding?

**SONYA CAMPBELL:** That's what the direction says, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** If an international business registers using the simplified process but is not included in the all-of-government supplier list, how would agencies be able to identify them?

**SONYA CAMPBELL:** I might have to take that on notice, Mr Tudehope. But Supplier Hub, as you'd be aware, is a self-registration portal. It doesn't necessarily lead to work with the Government, and it doesn't mean that those suppliers are necessarily on a scheme or a panel.

**The Hon. DAMIEN TUDEHOPE:** Yes, but it is a portal for the purposes of being able to match agencies with suppliers, is it not?

**SONYA CAMPBELL:** Agencies can absolutely use that portal to search for suppliers, and there would be other tags through the buy.nsw hub that would enable them to identify suitable suppliers for the services that they are looking for.

**The Hon. DAMIEN TUDEHOPE:** It appears, though, that if you're an international business without an ABN, you can register, but you just don't get listed on the Supplier Hub.

**SONYA CAMPBELL:** Yes. I think that's a question of interpretation, and I'm happy to take that on notice.

**The Hon. DAMIEN TUDEHOPE:** Okay. I just wonder whether this was a deliberate attempt to favour domestic suppliers by creating a different procedural—

**SONYA CAMPBELL:** I don't think that was the intention, but this was a recommendation brought forward by the Department of Customer Service, which manages that Supplier Hub. The intent behind it, as I understood it, was largely for transparency for all suppliers who do work with government to be registered by that portal.

**The Hon. DAMIEN TUDEHOPE:** But if I can't see them—my registration might be there, but if I don't get any exposure, it's unlikely that I will be potentially contacted by an agency to provide opportunities for dealing with those international companies, isn't it?

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**SONYA CAMPBELL:** I understand the question, and I'm happy to take that away and consult with the Department of Customer Service.

**The Hon. DAMIEN TUDEHOPE:** If in fact they are not there, if they have been excluded deliberately, that would be a problem for our obligations relating to international—

**SONYA CAMPBELL:** I don't believe it's a deliberate exclusion for that purpose, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Good. Now, Revenue, waiting anxiously.

**The CHAIR:** As are we.

**The Hon. DAMIEN TUDEHOPE:** The foreign surcharge issue, which we had some discussion about before—I take it the Minister would have been briefed as part of the incoming Minister's brief? It would have been included in relation to that issue?

**SCOTT JOHNSTON:** Yes, I'd imagine that would have been correct.

**The Hon. DAMIEN TUDEHOPE:** At that point, how many taxpayers had had refunds?

**CULLEN SMYTHE:** What was that date, Mr Tudehope?

**The Hon. DAMIEN TUDEHOPE:** The election was in March 2023. In March 2023, how many refunds had been made by Revenue NSW in respect of—

**SCOTT JOHNSTON:** Just give me a moment to look at my time line. I'll confirm, but it was likely zero.

**The Hon. DAMIEN TUDEHOPE:** Yes. In fact—correct me if I'm wrong—I thought that potentially the policy decision at the time was that the issue had been identified and Revenue would be waiting for applications to be made for that refund and would make a decision based on individual applications being made by taxpayers.

**SCOTT JOHNSTON:** That's correct.

**The Hon. DAMIEN TUDEHOPE:** Was the Minister briefed in relation to that as a policy position?

**SCOTT JOHNSTON:** To my recollection, we discussed this as an issue as the decision we were arriving at. At the time, we were developing the process to work through how we would provide a refund.

**The Hon. DAMIEN TUDEHOPE:** Did we have any discussions with your Victorian counterparts in relation to how they were dealing with it?

**SCOTT JOHNSTON:** We regularly speak to the jurisdictions across the country. We let them know what we were doing. It was a decision for the Chief Commissioner of State Revenue in New South Wales to make as opposed to what the Victorians or others were doing, but we absolutely speak to them, like we do around any matters that might affect others.

**The Hon. DAMIEN TUDEHOPE:** You were aware that they were taking the view that they would not be refunding?

**SCOTT JOHNSTON:** My recollection is at that point they were interested in our position and considering their options, but I can't speak to how or when they made that decision.

**The Hon. DAMIEN TUDEHOPE:** Were you actively involved with any discussions with the Commonwealth in relation to potentially amending Commonwealth legislation so that the State tax would be excluded from the international tax treaty?

**SCOTT JOHNSTON:** I might get Mr Smythe to answer. He's itching to speak, I think, Mr Tudehope, as you'd imagine. We did have conversations with officials in the Commonwealth about the issue, absolutely.

**CULLEN SMYTHE:** In respect to your specific query, no.

**The Hon. DAMIEN TUDEHOPE:** You didn't have any discussions?

**CULLEN SMYTHE:** Not about changing the international treaties Act, no.

**The Hon. DAMIEN TUDEHOPE:** It was always potentially open to amend the Act to ensure that the international treaties did not include State taxes, was it not? Did it ever cross your mind that might have been a prudent thing to do?

**The CHAIR:** I think the first part of that question was seeking an opinion of the officials.

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**The Hon. DAMIEN TUDEHOPE:** Well, the second.

**CULLEN SMYTHE:** It's always open for a legislature to go back and change the legislation in accordance—

**The Hon. DAMIEN TUDEHOPE:** You're now aware that they have done that.

**SCOTT JOHNSTON:** Correct—well, they're in the process.

**CULLEN SMYTHE:** No, I'm aware that they've introduced a bill into the Federal Parliament that—

**The Hon. DAMIEN TUDEHOPE:** It's passed the House of Representatives, has it not?

**CULLEN SMYTHE:** That's correct.

**The Hon. DAMIEN TUDEHOPE:** And it's currently on the *Notice Paper* to be debated, I think, next week by the Senate.

**CULLEN SMYTHE:** I believe so.

**The Hon. DAMIEN TUDEHOPE:** And the impact of that will be to excise State taxes from international tax treaties?

**CULLEN SMYTHE:** Effectively, yes.

**The Hon. DAMIEN TUDEHOPE:** And in fact it will have retrospective application, will it not?

**CULLEN SMYTHE:** That's correct.

**The Hon. DAMIEN TUDEHOPE:** Have you briefed the Minister in relation to the impact of that Act?

**CULLEN SMYTHE:** As to how the legislation would operate should it be passed?

**The Hon. DAMIEN TUDEHOPE:** Correct.

**CULLEN SMYTHE:** Yes.

**The Hon. DAMIEN TUDEHOPE:** In those circumstances, when did you proactively make a decision to seek out taxpayers to offer refunds?

**SCOTT JOHNSTON:** This was March 2023. That's last year.

**The Hon. DAMIEN TUDEHOPE:** Did the Minister know that was the policy position of the Government at the time? When you made the decision to proactively make refunds, did you brief the Minister that that was going to be the revenue position?

**SCOTT JOHNSTON:** Yes, we did.

**The Hon. DAMIEN TUDEHOPE:** Did you brief the Minister that, potentially, you could seek an amendment to the Commonwealth legislation?

**SCOTT JOHNSTON:** We had a discussion about the interpretation of the law at that time, which was that we were collecting tax from these people and it was unlawful. We gave background to how this came about and the connection to the international tax treaties. Discussion, from my perspective, was more focused on the current state. The fact that this legislation that's currently before the Commonwealth Parliament—that's come some months after our discussions, so no.

**The Hon. DAMIEN TUDEHOPE:** Was it suggested to the Minister at any stage that, in fact, there may be other remedies other than proactively refunding the surcharge duty?

**SCOTT JOHNSTON:** No. My recollection was the discussion was that our interpretation of the law as it stood was we needed to make a decision, which we did, and act on it. If Commonwealth laws were to change that would have impacted that in the future, that would be something we would deal with when it did.

**The Hon. DAMIEN TUDEHOPE:** You're aware, of course, that the provisions of the Act have retrospective effect and would have covered any taxes which had already been levied, which would have obviated the need to refund the surcharge duty, would it not? If the legislation is retrospective, the obligation to refund is vitiated, isn't it?

**SCOTT JOHNSTON:** But that's not currently the law.

**The Hon. DAMIEN TUDEHOPE:** But as of next week it might be.

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**The Hon. BOB NANVA:** Point of order: That's a hypothetical question.

**The Hon. DAMIEN TUDEHOPE:** It's in the legislation.

**The CHAIR:** I uphold the point of order. It is a hypothetical. Mr Tudehope, you have another 20 minutes.

**The Hon. DAMIEN TUDEHOPE:** If the legislation is passed, the need to have repaid any of this money will have been obviated, will it not?

**CULLEN SMYTHE:** I don't want to descend into bureaucratise or anything similar, however, we have to deal with the legislation as it stands at a particular time. For us to retain funds that are not the funds of the people of New South Wales would be somewhat similar to detinue of property, an unlawful—just as if it was, say, your funds and we were holding it and we were individuals, of course, you could sue me for the tort of detinue.

**The Hon. DAMIEN TUDEHOPE:** Well, probably if I had asked for it back and I didn't get it back it would be detinue.

**CULLEN SMYTHE:** That's correct. So the issue then that we would have is, once we've reached the conclusion that we are not authorised under law to collect the funds, what do we do with it? It would not have been appropriate for us to retain those funds on the off-chance that some time in the future the Commonwealth Government might amend a piece of legislation that is almost 70 years old—and that's why we gave it back.

**The Hon. DAMIEN TUDEHOPE:** The Victorian Government took that view, did they not?

**CULLEN SMYTHE:** That would be a question for the Victorians, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Their Government. But on the face of it, it appears that they took that view, is it not the case?

**CULLEN SMYTHE:** I think that's a fair assumption.

**The Hon. DAMIEN TUDEHOPE:** And there are cases where you have collected revenue from taxpayers where, subsequent to judicial decision, you've held that revenue until such time as there has been a judicial decision?

**CULLEN SMYTHE:** That's correct, yes.

**The Hon. DAMIEN TUDEHOPE:** And you don't think yourself open to a charge of detinue in relation to that, do you?

**CULLEN SMYTHE:** No. In those circumstances, though, we're entitled to rely on the Tax Administration Act that allows us to—it provides any taxpayer who is dissatisfied with an assessment to object and, if they're unsuccessful, to take that matter through the courts.

**The Hon. DAMIEN TUDEHOPE:** In fact, that's the normal process, is it not?

**CULLEN SMYTHE:** It is. However, if they don't avail themselves of that opportunity, then we are entitled to rely on the administration of the law at the time that we collected revenue. The issue with surcharge is it's, to an extent, taken out of our hands because it's a constitutional issue. And, of course, the problem there is not one necessarily of legislative interpretation. It's really a question of, "Were we ever entitled to collect the funds?", not, "Did we collect something we were entitled to; however, we interpreted the legislation incorrectly?"

**The Hon. DAMIEN TUDEHOPE:** The moot point, though, which may have required some judicial intervention, may have been this: Was a State tax of this nature covered by the international tax arrangement? That was a decision on which you could have taken the view, "I'd like some guidance from the court on this."

**CULLEN SMYTHE:** Theoretically, yes.

**The Hon. DAMIEN TUDEHOPE:** Yes, and it may be that that was the position that Victoria took, may it not?

**SCOTT JOHNSTON:** Possibly.

**CULLEN SMYTHE:** You'd have to ask the Victorians.

**The CHAIR:** Order! That is seeking an opinion and it's a hypothetical.

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**The Hon. DAMIEN TUDEHOPE:** I've got the answer I need. You sometimes get answers surprisingly. In any event, if this law is passed, is there any scope for reassessing these taxpayers based on the retrospective provisions which are, as you've seen, contained in the Act?

**CULLEN SMYTHE:** I think, Mr Tudehope, we would have to wait and see what the final form of the legislation is, if any, that's passed by Parliament, and we'd be able to answer that question at that time.

**The Hon. DAMIEN TUDEHOPE:** If it is passed in its current form, is there any scope for Revenue to reassess those taxpayers based on the New South Wales legislation? Now that you have refunded it, can you reassess them on the basis of the retrospectivity provisions which are contained in the amending Act?

**CULLEN SMYTHE:** I think that is a hypothetical question. It would be very difficult for me to answer.

**The Hon. DAMIEN TUDEHOPE:** Really?

**The Hon. BOB NANVA:** Point of order: I don't think Mr Tudehope is asking a question. It goes to Government policy, which is what the question should be geared towards with respect to questioning public officials.

**The CHAIR:** Yes, I uphold the point of order for that reason, and also because it is, again, a hypothetical, as Mr Smythe has said.

**The Hon. DAMIEN TUDEHOPE:** Will you obtain advice, after the passing of this Act—should it pass—as to whether you can re-collect that tax?

**SCOTT JOHNSTON:** We will consider the position once—assuming that legislation passes, we will advise of our position on how we will treat retrospectivity.

**The Hon. DAMIEN TUDEHOPE:** The Minister gave evidence—or maybe you gave evidence, Commissioner—that the opportunity to make a claim for a refund of surcharge duty finished at the end of November. Is that correct?

**SCOTT JOHNSTON:** The date was set at 30 November for people to lodge a claim for a refund. Under some limited circumstances we have accepted them after, particularly where someone was clearly unaware or we weren't—

**The Hon. DAMIEN TUDEHOPE:** Why would they be locked out after that date? If they were entitled to a refund on your view—it is money which you'd formed the view that you shouldn't hold. Why would they be ever locked out of claiming back money which didn't belong to you?

**SCOTT JOHNSTON:** I would say we haven't locked anyone out, Mr Tudehope. We set a date from a perspective of processing these refunds. About 88 per cent of what we identified, we have refunded, and it was a significant effort for us to do it. Anyone who has come to us after that date, we've considered their circumstances and we're reasonable. We're giving—

**The Hon. DAMIEN TUDEHOPE:** Why would you consider their circumstances?

**SCOTT JOHNSTON:** If they're eligible—we've communicated on multiple times to potential customers.

**The Hon. DAMIEN TUDEHOPE:** Say they even knew about it. Say I knew about it in March last year, but I just didn't get around to making an application.

**SCOTT JOHNSTON:** You're right. The law still is as it is, and if someone was eligible for the refund, we will process it. We set a time frame, more from an operational perspective rather than a—to try to get this to the point where we could work it through quickly.

**CULLEN SMYTHE:** There's a very interesting piece of legislation from 1963 that we've relied on: the Recovery of Imposts Act. Now, the Recovery of Imposts Act—I'm not aware of its provenance; I don't know what gave rise to it—basically sets a 12-month time frame from the time someone has paid to come back to us and ask to have the money refunded. There is some administrative discretion that rests with the chief commissioner under the Taxation Administration Act on how we actually operationalise things like that, which is why the time frame that you just referred to is actually longer than 12 months, in the interests of fairness and the ability to communicate the availability of refunds.

**The Hon. DAMIEN TUDEHOPE:** So you're telling me that my money becomes your money after 12 months?

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**CULLEN SMYTHE:** I just need to clarify: It's not my money. I don't take it home. I don't get to spend it.

**The Hon. DAMIEN TUDEHOPE:** It becomes Revenue's money. I am not suggesting you take it home, Mr Smythe.

**CULLEN SMYTHE:** The way it works, and the vibe of the legislation in toto, really, is to try and set a reasonable time frame that allows people sufficient time to consider their position and to come to the Government to ask for a refund of money. Now, of course, it doesn't detract from any of the other legislative tools or processes such as objections or refunds or court action or anything similar. From the context of public finance, there does need to be the ability to draw a line under the finances of the State. As I mentioned, this is longstanding. This goes back to 60-odd years ago.

**The Hon. DAMIEN TUDEHOPE:** In view of the bill, which is about to be debated by the Senate, it would be unlikely that you would make a refund. Isn't that the case?

**SCOTT JOHNSTON:** A refund to?

**The Hon. DAMIEN TUDEHOPE:** To a taxpayer who sought a refund today?

**SCOTT JOHNSTON:** As I tried to explain, we would consider their circumstances, but we put, as Cullen—

**The Hon. DAMIEN TUDEHOPE:** You've got a bill before the Senate which will act retrospectively.

**The Hon. BOB NANVA:** Point of order—

**SCOTT JOHNSTON:** If and when the law changes, we will have to consider our approach.

**The CHAIR:** Sorry, Mr Johnston, a point of order has been taken by Mr Nanva.

**The Hon. BOB NANVA:** Again, it's hypothetical. It's just conjecture as to what may or may not happen.

**The Hon. DAMIEN TUDEHOPE:** These are the decision-makers.

**The Hon. CHRIS RATH:** To the point of order: I think there's a difference between something that is blatantly hypothetical and something that is virtually inevitable and asking what contingency plans are in place for a department looking at federal legislation. I think they are very different concepts. It's not asking about pocket money or something like that, from an earlier example. This is an almost inevitable piece of federal legislation that we are asking the department about.

**The Hon. DAMIEN TUDEHOPE:** And these are the decision-makers.

**The CHAIR:** If the question was put in that way—what contingencies are in place for that circumstance—that's a better way to frame it and then you're avoiding any hypotheticals.

**SCOTT JOHNSTON:** Firstly, if and when the law changes, and it requires a correction of our position, we will. In terms of current refunds, there was a question earlier about when was the last refund. We can provide that information but very few refunds are being currently paid outside of some discretion where they've come through later. We haven't got a large effort now. This is at the tail of this work, regardless of what happens with this legislation.

**The Hon. DAMIEN TUDEHOPE:** Ms Wilkie, when this legislation was introduced seeking the recovery of the foreign surcharge duty, did you ever form the view that the legislation was defective in terms of our obligations under international tax law?

**JOANN WILKIE:** Are you asking for my opinion, Mr Tudehope?

**The Hon. DAMIEN TUDEHOPE:** Yes, I am.

**The Hon. BOB NANVA:** Point of order—

**The CHAIR:** We don't need a point of order. The question is clearly out of order.

**The Hon. DAMIEN TUDEHOPE:** Did you provide a briefing to any Minister that this may have been defective?

**JOANN WILKIE:** Not to my recollection.

**The Hon. DAMIEN TUDEHOPE:** Can I move on to the ITM case, Mr Smythe?

**CULLEN SMYTHE:** Please do, Mr Tudehope.

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**The Hon. DAMIEN TUDEHOPE:** Can I just finish with this question: As of today, any foreign surcharge duty in your view is not Revenue's money, is it?

**SCOTT JOHNSTON:** From those eight countries?

**The Hon. DAMIEN TUDEHOPE:** Yes. It's not Revenue's money. As we sit here today on the basis of the policy decisions you've taken, that is not Revenue's money and it shouldn't be treated any differently until the Senate passes that bill, if in fact they pass it.

**CULLEN SMYTHE:** I might just comment. It's not a result of policy decisions. It's a result of a careful analysis of the interplay of State legislation and section 109 of the Commonwealth of Australia.

**The Hon. DAMIEN TUDEHOPE:** That hasn't changed, has it, that analysis?

**SCOTT JOHNSTON:** No.

**CULLEN SMYTHE:** No.

**The Hon. DAMIEN TUDEHOPE:** The person who today applies for a refund, you'd have to treat the same way as a person who applied for a refund in March last year, would you not?

**CULLEN SMYTHE:** Subject to the comments I just gave on the Recovery of Imposts Act 1963.

**The Hon. DAMIEN TUDEHOPE:** You'd be treating them exactly the same as that particular taxpayer, other than treating them as now being impacted by the impost Act.

**CULLEN SMYTHE:** Yes. I think that's fair to say.

**The Hon. DAMIEN TUDEHOPE:** The ITM case, does it have any bearing?

**The CHAIR:** Mr Tudehope, for my edification, ITM?

**The Hon. DAMIEN TUDEHOPE:** International Trolley Management.

**The CHAIR:** Yes, of course.

**The Hon. DAMIEN TUDEHOPE:** This is a case about people who pick up trolleys for Woolworths and they're now deemed to be employees for the purpose of payroll tax.

**The CHAIR:** Thank you.

**The Hon. DAMIEN TUDEHOPE:** Are there broader implications in relation to the decision in that case for other industries?

**CULLEN SMYTHE:** That's an incredibly difficult question to answer, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** I'm sure you have thought about it.

**CULLEN SMYTHE:** The reason for that is the Court of Appeal decision in the ITM case just vindicated the position that has been taken not only by Revenue NSW but, to the best of my understanding, revenue authorities around the country. It was principally in respect of provisions that are referred to as the employment agency provisions. Again, these provisions have been in payroll tax legislation since the very late '90s, so they're not new. We believe they've been applied consistently to similar circumstances around the country. We were confident that they applied in this case, and a panel of three justices of the Supreme Court of Appeal agreed with us.

**The Hon. DAMIEN TUDEHOPE:** Are job hire companies potentially now exposed as a result of this decision, if they are, in fact, making or providing job services to one company for a protracted period of time?

**CULLEN SMYTHE:** The position hasn't changed. It largely has not changed since the late 1990s. So I wouldn't read too much into further ramifications of the ITM decision.

**The Hon. DAMIEN TUDEHOPE:** The company, of course, has now been placed in administration, probably to protect the directors of the company. However, what's the impact on Revenue, or have you done an assessment about what the impact on Revenue will be if, in fact, the payroll duty, which has been assessed, is not collected? How much are we talking about?

**CULLEN SMYTHE:** I couldn't comment on the specific finances of an entity in any given time, other than publicly available information. The details that were disclosed in the judgement at first instance indicated there was approximately \$3.6 million, being a combination of tax, interest and penalties.

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**The Hon. DAMIEN TUDEHOPE:** But Australia-wide, was it \$3.6 million? Because this has implications for payroll tax for this company, which is a publicly listed company. And they've, if fact, notified the Stock Exchange in respect of this decision—well, the administration was notified to the Stock Exchange. What's the total assessment, Australia-wide? Are you aware of it?

**CULLEN SMYTHE:** I'm not. We're concerned with New South Wales payroll tax.

**The Hon. DAMIEN TUDEHOPE:** The Minister was asked some questions in relation to GP tax or GP clinics. If there's no legislative change before the amnesty exists up until August—

**CULLEN SMYTHE:** September.

**SCOTT JOHNSTON:** It's 4 September.

**The Hon. DAMIEN TUDEHOPE:** Up to September. If there's no legislative change, it is your view, is it, that audits then can continue and the tax can be collected?

**SCOTT JOHNSTON:** The law—that period—would have ended. It's hypothetical in a sense, because we don't know what's going to happen between now and that period of time in terms of other changes. But I would not be looking for Revenue NSW audit program to step into a campaign of auditing, en masse, medical centres, which we have never done. We have had very limited audits of such businesses for many years, and we'd be very considerate to the circumstance of how we navigate from a period of pause into something else. We'd have to manage that, and it would be in consultation with industry groups that are advocating for other positions, if we needed to.

**The Hon. DAMIEN TUDEHOPE:** The amnesty that has been given is only in respect of audit, is it not?

**SCOTT JOHNSTON:** That's right, so the liabilities continue to accrue.

**The Hon. DAMIEN TUDEHOPE:** So any penalties and interest is still occurring, is it not?

**SCOTT JOHNSTON:** No.

**The Hon. DAMIEN TUDEHOPE:** No?

**CULLEN SMYTHE:** Interest has been stopped during the period of the audit.

**The Hon. DAMIEN TUDEHOPE:** Yes, but prior?

**SCOTT JOHNSTON:** The period of the amnesty—the 12 months.

**CULLEN SMYTHE:** Yes. What did I say?

**SCOTT JOHNSTON:** You said audit.

**CULLEN SMYTHE:** Sorry, yes. Audits on the brain—that's terrible for a revenue authority. Any penalties that were still outstanding, from memory, up to the time the pause started were basically written off. I don't have the provision with me, but it's set out in the tax administration Act. So the primary liability, if a taxpayer had a liability outstanding—had a liability to pay payroll tax—that would continue to exist, but there would be no interest accruing during the period of the—

**The Hon. DAMIEN TUDEHOPE:** But if there is a liability to pay payroll tax, are you still collecting it?

**SCOTT JOHNSTON:** It's up to businesses to choose. If they choose to pay, they can, and we will accept it. But there's no action from us compelling, auditing or—

**The Hon. DAMIEN TUDEHOPE:** To actively audit it, but are businesses being advised that their obligations in relation to payroll tax are continuing to mount?

**SCOTT JOHNSTON:** Yes.

**The Hon. DAMIEN TUDEHOPE:** During the period of the amnesty, there is no waiver of their liability. The only thing that has been waived is the audits.

**CULLEN SMYTHE:** And interest.

**The Hon. DAMIEN TUDEHOPE:** And interest.

**SCOTT JOHNSTON:** And interest, that's right.

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**The Hon. DAMIEN TUDEHOPE:** For that period.

**SCOTT JOHNSTON:** That's right.

**CULLEN SMYTHE:** Correct.

**The Hon. DAMIEN TUDEHOPE:** So any liability that is occurring today, in the absence of legislative change, will become a real liability after September of this year—

**SCOTT JOHNSTON:** In the absence of change, that's right.

**The Hon. DAMIEN TUDEHOPE:** —if, in fact, you carry out an audit. In fact, you would expect that a taxpayer who has been paying payroll tax in previous years would continue to pay payroll tax during the audit-free period, would they not?

**SCOTT JOHNSTON:** In practice that's a choice of those businesses, because we're not pursuing them. We are giving respect to this amnesty period so that whatever comes after that can be done in the best possible way, so some businesses will be paying by choice.

**The Hon. DAMIEN TUDEHOPE:** In terms of the policy considerations in relation to this, is consideration also being given to dental clinics?

**SCOTT JOHNSTON:** I think they're matters for the Government, not for us.

**The Hon. DAMIEN TUDEHOPE:** There is no amnesty in relation to audits of dental practices?

**SCOTT JOHNSTON:** Sorry, no, there is not.

**The Hon. DAMIEN TUDEHOPE:** Pacific Smiles, in fact, was the subject of an audit, was it not?

**SCOTT JOHNSTON:** I couldn't speak to the matters of a particular business in this forum.

**The Hon. DAMIEN TUDEHOPE:** But dental clinics generally?

**SCOTT JOHNSTON:** Yes—well, potentially. As you're well aware, Mr Tudehope, we have a risk framework to identify those businesses that may be appropriate to audit, where we've seen either a difference of opinion from their response compared to other data or—we've audited very few medical-related businesses in the past five years. I think last financial year there were 80 in total, and in approximately half of those we found a liability. But dentists, physiotherapists and others outside of GPs potentially could be audited, yes.

**The Hon. DAMIEN TUDEHOPE:** I'll pass over to Mr Rath and come back to you.

**The Hon. CHRIS RATH:** I want to talk to turn to Royalties for Rejuvenation. When is the earliest that that funding could be spent?

**GEORGINA BEATTIE:** The Royalties for Rejuvenation Fund currently cannot be spent until 2028-29 or until the balance reaches \$250 million.

**The Hon. CHRIS RATH:** I don't know if you have it on you, but what part of the legislation is that carried under, or is it a directive from the Minister?

**GEORGINA BEATTIE:** That was a decision by the former Government.

**The Hon. CHRIS RATH:** The guidelines and the expert panels for the program that were established in late 2022—why is it that the only money that is being spent from this fund so far is on administration costs?

**GEORGINA BEATTIE:** The fund cannot be spent until 2028-29 or until it reaches that \$250 million. There is a portion of money that's been allocated for operating expenses, and that money has been used for administration, managing the funds, some staffing costs and also payment of fees for the expert panels.

**The Hon. CHRIS RATH:** And that's been communicated to the expert panels—that the funding can't be spent until 2028-29?

**GEORGINA BEATTIE:** I believe so, yes.

**The Hon. CHRIS RATH:** Have the expert panels ever provided correspondence to the Government seeking a release of funding for projects or business cases in their respective regions?

**GEORGINA BEATTIE:** The expert panels under the legislation can provide advice to the Minister, and that is required to be published on our website and, I believe, has been. There are a number of areas—if you just bear with me—that they have provided some advice. I think your question was specifically in relation to early release of the funds?

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**The Hon. CHRIS RATH:** That's right, yes. If you want, we can come back to it later.

**GEORGINA BEATTIE:** I have it here, somewhere. Maybe I will come back. I just need to find it.

**The Hon. CHRIS RATH:** That's okay. I'll move on from Royalties for Rejuvenation at some point, and then we'll come back to it later on maybe, or we can take it on notice. What are the reasons why the expert panels haven't met since August last year?

**GEORGINA BEATTIE:** The expert panels have met a number of times, but you're correct, they have not met since August last year. The panels are aware that the Government is consulting about the establishment of the Future Jobs and Investment Authorities, and they understand that is the focus of the Government at this point in time. As you heard from the Minister this morning, there have been a couple of round tables held—one in the Hunter, one in Lithgow, and there are two more round tables to be held. The expert panels haven't met since August. I believe they're allowing the Government to do its consultation for the establishment of the authorities.

**The Hon. CHRIS RATH:** Are there any vacancies on the expert panels at the moment?

**GEORGINA BEATTIE:** Yes, I believe there are.

**The Hon. CHRIS RATH:** Do you know how many?

**GEORGINA BEATTIE:** No, I'd have to take that on notice. The expert panels have up to a number of people. There are five and 10 members, so some of the panels were larger than others. That was just a result of the recruitment process for the panels at the time.

**The Hon. CHRIS RATH:** That would be great—just a list of what vacancies exist. Earlier the Minister spoke about a commitment of \$5.2 million over four years for the establishment of the Future Jobs and Investment Authorities. Is that \$5.2 million going to come out of the Royalties for Rejuvenation Fund?

**GEORGINA BEATTIE:** Not from the statutory fund, no.

**The Hon. CHRIS RATH:** Under the legislation, the money that's put aside for Royalties for Rejuvenation, that can't be redirected to Future Jobs and Investment Authorities. Is that right?

**GEORGINA BEATTIE:** Sorry, can you repeat that question?

**The Hon. CHRIS RATH:** Under the legislation for Royalties for Rejuvenation, could funding be taken out of that for another purpose—for instance, for the Future Jobs and Investment Authorities—or is it hypothecated?

**GEORGINA BEATTIE:** The fund and the use of the fund is clearly set out in the Mining Act, and that is:

... to alleviate economic impacts in affected coal mining regions caused by a move away from coal mining by supporting other economic diversification in those regions, including by the funding of infrastructure, services, programs and other activities.

So as part of the consultation that the Government is undertaking at the moment about the establishment of the Future Jobs and Investment Authorities, we will look at all aspects of the Royalties for Rejuvenation Fund and, as the Minister said this morning, the role of the expert panels moving forward once those authorities are established.

**The CHAIR:** And I think, Mr Rath, the evidence this morning was that there was \$22.5 million per annum going into the fund and \$2.5 that was not set aside under the statute to fund the administration of the panels and potentially the future jobs and investment funds. Am I correct?

**GEORGINA BEATTIE:** That's correct. I have that information—

**The Hon. CHRIS RATH:** Yes, that would be great. Thank you.

**GEORGINA BEATTIE:** —on a device. Apologies for that.

**The Hon. CHRIS RATH:** That's okay.

**GEORGINA BEATTIE:** Advice has been provided by the expert panels to the Minister and, as I mentioned, that's available on the website. The expert panel chairs provided advice on strategic priority areas common across the respective regions. The chairs provided advice about considerations for regional authority models to inform Government's thinking about the design and implementation of the authorities. The chairs provided advice on recommendations on the scope and timing of the Royalties for Rejuvenation Fund, and the Hunter chair provided advice on the key considerations for decision-making about the design and implementation of a regional authority for the Hunter. And, again, the Hunter expert panel provided advice about a proposed

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post-mining land use quick wins project. That advice has been received and is being considered as part of the work that we're undertaking about setting up the jobs authorities.

**The Hon. CHRIS RATH:** So they could put in advice about early release of funds but, ultimately, it's the Minister's decision whether to take that advice and have an early release of funds, or is it like a legislative inability to withdraw any funds before 2028-29?

**GEORGINA BEATTIE:** It's not in legislation. It was a decision of the former Government not to release that funding. But as the Minister said this morning, all of that will be considered as part of the work that is being undertaken at the moment.

**The Hon. CHRIS RATH:** Has the Minister asked the department to draft any legislation that would allow the Royalties for Rejuvenation program to be redirected to other funds or for any other purposes?

**GEORGINA BEATTIE:** We're not drafting any legislation at the moment. The focus for us is consultation with the coal-reliant communities.

**The Hon. CHRIS RATH:** Okay. I might turn to the former First Home Buyer Choice program. How many first home buyers opted for the First Home Buyer Choice scheme, which was available between 16 January 2023 and 30 June 2023? I'll give you a minute. It's a very specific question.

**SCOTT JOHNSTON:** So First Home Buyer Choice, how many—

**The Hon. CHRIS RATH:** How many first home buyers opted for the First Home Buyer Choice—the property tax?

**SCOTT JOHNSTON:** I've got this: 7,988 properties; individuals, because there is often more than one person involved, 13,361—which I think was your question.

**The Hon. CHRIS RATH:** Yes, individuals, properties—that's both. That's very helpful. Over that same time period—I don't know if you have it on hand—how many first home buyers were there over that time period?

**SCOTT JOHNSTON:** I'll take that on notice. It's available, but I don't have that to hand. Well, actually, it's—

**The Hon. CHRIS RATH:** How many—

**SCOTT JOHNSTON:** Someone has to identify themselves as a first home buyer and, depending on the scheme that they're taking advantage of, whether it's the First Home Buyers Assistance Scheme or this, obviously there are limits where property value—it's irrelevant whether you're a first home buyer or not. We'll be able to provide some information that'd be instructive to it, but probably not completely full.

**The Hon. CHRIS RATH:** Yes. Essentially, how many paid stamp duty versus how many opted for the property tax, is sort of where I was—the land tax.

**The Hon. DAMIEN TUDEHOPE:** In terms of proportion.

**The Hon. CHRIS RATH:** Yes—or a percentage figure.

**CULLEN SMYTHE:** As the chief commissioner was saying, we won't—the figure that we'd be able to provide will not be 100 per cent accurate, because there may be first home buyers who would not be eligible for any scheme, and therefore would not have identified themselves to us, for example, because the house was over the threshold.

**SCOTT JOHNSTON:** But we are happy to provide a response that frames those that we're aware of.

**The Hon. CHRIS RATH:** Of that number—7,988 properties—do you know how many were between \$1 million and \$1.5 million? Do you have it broken down by—

**SCOTT JOHNSTON:** I don't have that on me for the moment, but I can get that on notice.

**The Hon. CHRIS RATH:** Yes, that would be good. Sort of just broken down, maybe, a little bit—a few different options there. And what arrangements were put in place for those people that did opt for the First Home Buyer Choice scheme? It was only in existence for that less than six-month period. They then operate in a scheme separate to everyone else. Can you give an update on that and how that all works? It's only a small number.

**SCOTT JOHNSTON:** The scheme continues for those that entered it. We issue assessments annually and, up until the point their circumstances change and they sell or leave that property, we will continue to issue assessments and collect the revenue from them.

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**The Hon. CHRIS RATH:** Great, thank you. I want to move to the budget. In the budget there is funding set aside for converting 1,112 full-time equivalent nurse and midwife positions, which were funded temporarily to June 2024, to permanent positions. How much funding was put aside for that?

**ELIZABETH LIVINGSTONE:** That was \$572.3 million.

**The Hon. CHRIS RATH:** How many years does that cover?

**ELIZABETH LIVINGSTONE:** It covers three years—so it covers the forward estimates beyond 2023-24, which was already funded.

**The Hon. CHRIS RATH:** What are the assumptions behind that in terms of the annual salary requirements of each of those 1,112 positions?

**ELIZABETH LIVINGSTONE:** Mr Rath, I believe we took this on notice at the Treasurer's hearing, so we will provide that information.

**The Hon. CHRIS RATH:** All right. Great. It just seems rather high, so any—and I know there are probably other costs that are built into it as well.

**ELIZABETH LIVINGSTONE:** Yes, there are.

**The Hon. CHRIS RATH:** It's not just the figure divided by the number of positions. But it would be good to know what the assumptions are behind that dollar figure.

**ELIZABETH LIVINGSTONE:** That's right, and we are preparing that answer in response to the former question on notice.

**The Hon. CHRIS RATH:** Excellent.

**The Hon. DAMIEN TUDEHOPE:** Mr Smythe, returning to the international treaties amendment bill, your advice or the position you took was that the law was clear in relation to the surcharge duty not being duty which was capable of being retained by Revenue.

**CULLEN SMYTHE:** I don't recall using the word.

**The Hon. DAMIEN TUDEHOPE:** Well, you had formed the view that it was not Revenue's money.

**CULLEN SMYTHE:** Correct.

**The Hon. DAMIEN TUDEHOPE:** Have you read the explanatory memorandum to the bill, which is currently before the Commonwealth Parliament?

**CULLEN SMYTHE:** I have.

**The Hon. DAMIEN TUDEHOPE:** You accept from me that it says it's not changing the law; it's clarifying the law. That clarification, of course, would mean that the Commonwealth formed the view that State taxes were not within the international taxation agreement, and that they were clarifying that position with this amending bill. Would you agree with that?

**CULLEN SMYTHE:** I would agree with the language you used in describing what the Commonwealth said. I couldn't possibly comment on whether the draft is of that—

**The Hon. DAMIEN TUDEHOPE:** The use of the word "clarification" rather than "change" would seem to indicate to me—I don't know if it indicates to you—that they were of the view that the State tax was properly collected but, to the extent that it needed clarification, they were clarifying the international taxation Act.

**CULLEN SMYTHE:** That's what they said, yes.

**The Hon. DAMIEN TUDEHOPE:** If in fact that's what they say. Their view was, given what I've just put to you, different to yours.

**CULLEN SMYTHE:** I don't know what their view is. We can agree on what they wrote. One might draw a conclusion from the fact that there was some necessity seen in drafting such a bill and putting it through Parliament.

**The Hon. DAMIEN TUDEHOPE:** But if they were going to change the law, that's one thing. If they're clarifying the law, they're suggesting that the State tax is properly collected but for the sake of certainty—

**CULLEN SMYTHE:** Yes. I'm not a mind-reader. I'm not sure what conclusion they've reached. We can both read the words that they saw fit to put into their explanatory memorandum.

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**The Hon. DAMIEN TUDEHOPE:** Can I put this: Under the Recovery of Imposts Act, you've identified that after a 12-month period the taxpayer would have to give some explanation.

**CULLEN SMYTHE:** Yes.

**The Hon. DAMIEN TUDEHOPE:** Why did you go back then in March 2023 and offer refunds as far back as January 2021? Weren't those payments outside the 12 months?

**SCOTT JOHNSTON:** Correct. The reason that decision was taken was because we were disadvantaging people who paid early and those that paid late were in scope when we looked at the annual cycle for land tax. That was the basis of that decision—to try to provide fairness to our decision.

**The CHAIR:** Thank you, Mr Johnston. Ms Faehrmann, you have 20 minutes.

**Ms CATE FAEHRMANN:** Thank you, Chair. Mr Day, let's start with you, if I can. Back to Cadia and silicosis, you said there were two, possibly a third. I think you said in your evidence earlier that the third wasn't a case of silicosis or something?

**PETER DAY:** That's correct. It didn't meet the criteria for silicosis. It was investigated and didn't meet that criteria. The other two that have been subsequently confirmed and diagnosed as early stage silicosis were investigated and they were more recent, back in 17 June 2022 and 17 August 2023.

**Ms CATE FAEHRMANN:** They're confirmed. The other person wasn't presented, ultimately. What's the test that is required to determine silicosis?

**PETER DAY:** The companies will do routine testing of workers as part of their principal hazard management plan. If we look at Cadia particularly, they'll do pre-employment X-rays. They have a Lung Bus that comes out every two years that does spirometry testing as well around lung function. That's really to try to detect any early stages with that. That then triggers the notification to us, if there's any issues from a health point of view. We'll investigate from that point.

**Ms CATE FAEHRMANN:** Okay. That Lung Bus is compulsory for every single worker at Cadia. Is that correct?

**PETER DAY:** That's correct.

**Ms CATE FAEHRMANN:** Every single worker goes through that and gets a test. What's the test, did you say?

**PETER DAY:** A spirometry test for lung function.

**Ms CATE FAEHRMANN:** That is two confirmed cases. What about suspected cases of silicosis in Cadia? We'll go through the whole of New South Wales at this point. What about silicosis cases confirmed in New South Wales in terms of your industry, the mining industry?

**PETER DAY:** I'd have to take that on notice in terms of actual numbers, but we normally get about anywhere between six to 10 notifications a year that we would investigate. They're preliminary detections and that doesn't always then translate into a confirmed case of silicosis. That's through the entire sector. That's coal, metals, mines, quarries and so on.

**Ms CATE FAEHRMANN:** About 60 per cent of cases per year is what you get. Right now in the State, how many people have silicosis as a result of mining or silicosis that you're aware of?

**PETER DAY:** I'd have to take that one on notice. From the point of view of our investigation, we're predominantly looking at where there may have been a failure or a causal factor from the mine operations on that work. The issue with silicosis is that it has a long latency time and the requirements for airborne contamination are fairly recent in terms of workplaces, especially in the mining industry. We're far ahead of other sectors but, in terms of airborne contamination, some of the requirements around monitoring, measurement and control factors only came into effect from about 2016 onwards. That's pretty recent, because a lot of the damage could have been done some time ago for workers, as you would imagine.

**Ms CATE FAEHRMANN:** Are the two cases that you referred to at Cadia still working at Cadia?

**PETER DAY:** One is. Part of the complexity—

**Ms CATE FAEHRMANN:** Has the other person retired because of age or illness?

**PETER DAY:** I'm not sure about that, in terms of the current status. People do move around, and that's part of the complexity with operations. When we get a detection, we look at their work history. Often these people have been at other mine sites and other industries where airborne contamination is going to be prevalent as well.

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**Ms CATE FAEHRMANN:** What about suspected cases at Cadia? How many suspected cases, say, in the last two years are you aware of?

**PETER DAY:** That's what we've had there.

**Ms CATE FAEHRMANN:** Okay. That is Cadia. In terms of the regulatory environment, given the higher risk of dust at Cadia, specifically who's responsible for regulating this area?

**PETER DAY:** From a worker safety point of view, that is clearly us.

**Ms CATE FAEHRMANN:** Yes, and you're responsible for ensuring the screening of the workers as well.

**PETER DAY:** They put in place a screening mechanism as part of their principal hazard management plan to screen workers around any sort of ongoing health issues. There are minimum requirements for that, but companies often go above requirements for that.

**Ms CATE FAEHRMANN:** Do you have the figures in Cadia, year by year, maybe breaking it down over the past five years in terms of metalliferous workers?

**PETER DAY:** We would only get detections—like exceptions or instant notifications. But we can look at that as part of a targeted assessment process in terms of our own compliance activity. So we might target that aspect of the principal hazard management plan, around their pre-employment checks or their ongoing monitoring. Where we're really interested is around dust exceedences that happen during the workplace, and that then triggers an investigation from us around that.

Primarily, we're looking at about four different categories of workplace exposure around dust. We're looking at inhalable dust, respirable dust, silica dust and also things like diesel particulate matter. We group them all under airborne contamination. It's important to know the difference between different dusts. It's not a very interesting subject, but it is very relevant to what we do. Inhalable dust is the dust that we can all see out there in the environment. That's probably the least damaging dust. From a safety point of view of workers, we're looking more at visibility than anything else. But the dangerous one is what we call respirable dust, which you can't see, and within that, also, is the silica itself. That is why we have monitoring equipment on site that the companies utilise to measure and let us know about exceedences out there. That then triggers an investigation from us.

**Ms CATE FAEHRMANN:** The Lung Bus itself that every single worker, as I understand, yearly, goes through and the screening that takes place, which you described as—what did you call it?

**PETER DAY:** Spirometry testing.

**Ms CATE FAEHRMANN:** What does that look out for? What does that test?

**PETER DAY:** I would take it on notice. I can give you a very basic answer. That's not my area of expertise. It's basically looking at lung function and in terms of how well their breathing ability is working. That can also be impacted by a number of things—even occupational hazards, like smoking and so on. What they're looking for is something that triggers a further investigation into why someone's lung function may have deteriorated. Then they can determine whether that is silicosis, is from smoking or is from other issues.

**The CHAIR:** And plaque and scouring of the lungs.

**PETER DAY:** That's correct.

**Ms CATE FAEHRMANN:** What some people have talked to me about is that this spirometry testing does that if breathing difficulties are starting to show. But it's actually the earlier detection that, I understand, can take place, and the workers at Cadia aren't being screened for that earlier detection. Are you aware of what that is, in terms of the earlier detection, and why the Lung Bus isn't doing prevention as much as possible? For example, I assume that if some workers were starting to show concerning signs before getting to that point, then maybe the precautions around dust exposure need to be tightened.

**PETER DAY:** My understanding is they will do a pre-employment X-ray, which is—

**Ms CATE FAEHRMANN:** Everybody gets an X-ray?

**PETER DAY:** Everyone. And then, they will repeat that X-ray every five years. In between that, the Lung Bus will do the spirometry testing every two years. It's a multiple-layer approach.

**Ms CATE FAEHRMANN:** So the X-ray looks for what?

**PETER DAY:** It will look for abnormalities in the lung itself and, once again, trigger further investigation from medical professionals.

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**The CHAIR:** But my understanding is that 40 per cent of X-rays miss silicosis, and if you want a comprehensive test, you get a CT scan.

**PETER DAY:** We just did recently a review into the coal health surveillance program for that. There are a number of recommendations in that review to look at second readers and CT scans and a whole range of things.

**The CHAIR:** That's what icare does, doesn't it?

**PETER DAY:** It's linked in. Coal Services do work under contract for all the mines, as well. But, yes, it does link into icare where there is detection and confirmed diagnosis.

**Ms CATE FAEHRMANN:** When were the two current cases at Cadia discovered?

**PETER DAY:** My understanding is that they were just recently, late last year, diagnosed as positive for silicosis. But we were notified through the preliminary detection back in June 2022 for the first one and August 2023 for the second one.

**Ms CATE FAEHRMANN:** Before that—say, the last five or 10 years—what were the silicosis case numbers?

**PETER DAY:** That's all we've got. The first one was 2019, and I guess that reflects that the requirements for testing and notification only really came into effect in late 2016 or 2017.

**Ms CATE FAEHRMANN:** I've got a bit more that I'll put to you on notice.

**PETER DAY:** From a point of view of safety, as well, Ms Faehrmann, we also look at the dust exceedences as being critical in terms of investigating their systems. Each mine has to have a safety management system, a principal hazard management plan specifically for airborne contaminants, and a health control plan around how then they test and monitor the individual workers' health as well. We assess the plans. We review the plans. That's part of our targeted approach. Every year, we do targeted inspection or compliance programs in those mines looking at ventilation management, looking at airborne contaminants. We're doing one these current six months, as we speak, in metals mines, looking at airborne contaminants and how well their programs are mitigating against airborne contamination issues out there, recognising that the requirement is that they minimise exposure as far as reasonably practicable. They will wear a P2 mask and a whole range of other things. There are multiple protections in place, but underpinning all of that is the requirement to have a minimum workplace exposure standard around exceedences.

**Ms CATE FAEHRMANN:** Do you do random, unannounced compliance checks—spot checks—on Cadia? How often?

**PETER DAY:** Every year. We do a multiple-layer approach to compliance. We publish our compliance priorities where we'll do a targeted compliance project on aspects of their plans. Like I said, this year, these six months, we're doing airborne contaminants in metals mines. Last year, we did a project on lead management in mines and also ventilation management, as well. Those projects can either be a mixture of announced or unannounced, and then we can do targeted interventions if we get complaints or get data. If we've got a lot of data coming in around incident notifications that suggests a bigger problem, then we would do what we call a targeted intervention that goes right through the mine itself, looking at every nook and cranny, on whatever the issue may be.

**Ms CATE FAEHRMANN:** Have you got the data around—say, for the last five years—how many unannounced compliance checks happened at Cadia? By that I mean the regulator's people going to the mine, doing the checks, taking the air monitoring deep underground and in other spots. When did that last happen without Cadia knowing that you're doing it?

**PETER DAY:** I will take that on notice in terms of that time frame, yes.

**Ms CATE FAEHRMANN:** Are you saying here, in terms of what you do know, that that does happen semi-regularly?

**PETER DAY:** Yes, and we do thousands of inspections a year. We get about 2,300 instant notifications that may require a follow-up or investigation of safety issues at mine sites and, from that, a mixture will be unannounced and announced.

**Ms CATE FAEHRMANN:** I want to turn to the heavy metals mining inquiry report that I was referring to this morning, and I will ask each one of you if you or your department saw the draft of that report, had any discussions about it or contributed knowledge to that report. For example, Mr Day, we did have a lot in there

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about mining rehabilitation, as I mentioned earlier, which was removed on a motion by a Labor member. Did you see the draft report or have any discussions about the content of that report with any member of the committee?

**PETER DAY:** No, I had no discussions with members of the committee. I saw a draft recommendation but had no discussions with them.

**Ms CATE FAEHRMANN:** Where did that draft recommendation come from?

**PETER DAY:** I can't recall where it came from, but it was provided to me at the office in Newcastle.

**Ms CATE FAEHRMANN:** And it was a draft recommendation. Did the draft recommendation you're referring to make its way to the final report?

**PETER DAY:** There were some minor changes to that.

**Ms CATE FAEHRMANN:** Did the recommendation come from within the regulator—

**PETER DAY:** No.

**Ms CATE FAEHRMANN:** —or had it come from the Minister's office, or did it come from another office?

**PETER DAY:** I've got no idea where it came from.

**Ms CATE FAEHRMANN:** So you had a look at it. It was edited?

**PETER DAY:** I'm assuming so, because it changed.

**Ms CATE FAEHRMANN:** Yes. Changed on the recommendation of you and your officers?

**PETER DAY:** No.

**Ms CATE FAEHRMANN:** Who changed it?

**PETER DAY:** I've got no idea.

**Ms CATE FAEHRMANN:** So you saw it as edited?

**PETER DAY:** Yes. I saw it as a draft recommendation, and then I saw the final recommendation that came out.

**Ms CATE FAEHRMANN:** You saw the final recommendation.

**PETER DAY:** Yes, but I've had no contact with anyone on the committee.

**Ms CATE FAEHRMANN:** So all you saw was a recommendation, just to be clear? You didn't see everything else; you just got a little recommendation?

**PETER DAY:** Yes.

**Ms CATE FAEHRMANN:** No committee comment or anything?

**PETER DAY:** No, apart from the final report.

**Ms CATE FAEHRMANN:** Ms Beattie, did you have anything to do with it?

**GEORGINA BEATTIE:** No, the Minister's office did not discuss the report with me, or the draft recommendations.

**Ms CATE FAEHRMANN:** Did you see any of the recommendations or the findings within the department, in terms of providing advice to the members of the committee around what could be accepted and not accepted? I assumed that happened all the time, to be honest. I really would assume that that is what good Government members of committees do—they make sure the department understands and they receive feedback from the experts. Ms Beattie?

**GEORGINA BEATTIE:** Sorry, what was the question?

**Ms CATE FAEHRMANN:** Did you see the draft report? Did you see it circulating and were able to contribute? Did you see the draft report?

**GEORGINA BEATTIE:** I did not see the draft report.

**Ms CATE FAEHRMANN:** Do you know whether that draft report made its way into the department at all for comment?

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**GEORGINA BEATTIE:** I don't believe it did at all for comment. I was aware that Mr Day had seen some draft recommendations, but the draft report was not circulated within the department at all, to my knowledge.

**Ms CATE FAEHRMANN:** Ms Livingstone, are you aware of this report? Did you see the draft report?

**ELIZABETH LIVINGSTONE:** No, it's outside of my remit. In my role, which is in the policy and budget team in Treasury, we cover all the portfolios across government in terms of budget process, but the report hasn't come across my desk in any form.

**Ms CATE FAEHRMANN:** The draft report. I would hope that the final report does but, again, don't be too excited about what's in it. Ms Campbell?

**SONYA CAMPBELL:** No, it's also not within my portfolio responsibility.

**Ms CATE FAEHRMANN:** Mr Johnston?

**SCOTT JOHNSTON:** No, myself or Revenue NSW hadn't seen it.

**Ms CATE FAEHRMANN:** Yes, because there's nothing in it that's going to cost the Government anything because it doesn't tell the Government to do anything. Mr Smythe?

**CULLEN SMYTHE:** No.

**Ms CATE FAEHRMANN:** Ms Wilkie?

**JOANN WILKIE:** No, I haven't seen it either.

**Ms CATE FAEHRMANN:** Treasury—nothing. Hansard—nothing. One of the recommendations in the draft recommendation, Mr Day, was to ensure that the regulator had more resources. I think that was one of the ones that stayed in.

**PETER DAY:** That recommendation isn't the final—

**Ms CATE FAEHRMANN:** You were okay with that one. That's what was in the draft. That was a good recommendation as well. In terms of more resources to do your work, where do you think, in terms of the greatest weakness right now—we had a lot of issues in that inquiry. What specifically—with the budget coming up, is it personnel, in terms of going out and doing the inspections for the regulator?

**PETER DAY:** In terms of resources, I'll leave that to the Government data to determine what we get resource-wise. A lot of the issues that were raised in that upper House inquiry last year effectively related to the historical regulatory framework for rehabilitation. Very much so, our focus and our compliance approach is on the current regulatory framework for rehabilitation, which we are confident is robust and will deliver excellent outcomes for the State in terms of ensuring that mines fulfil their obligations. We're like every other compliance agency out there; we'll take a risk-based approach, target our resources to the areas of highest priority and that type of thing. That's what we all do. In terms of most of the issues that I saw come out of the upper House inquiry, it is very much, from a historical point of view, around how rehabilitation was conducted, and our attention currently—and has been for some time—is on the current rehab framework, which provides a lot more strength in regard to the process around compliance.

**GEORGINA BEATTIE:** Ms Faehrmann, if I may just add to that, the Resources Regulator receives its funding from levies that are paid to the Government by industry, so whenever additional resources are required for the regulator to undertake its functions, we've never had any trouble in getting extra resources for those functions.

**Ms CATE FAEHRMANN:** Mr Day, when you talk about seeing a recommendation floating around somewhere, in terms of where that came from and who you liaised with, was one of the people or bodies that you talked to about this report the Minerals Council?

**PETER DAY:** No.

**Ms CATE FAEHRMANN:** So, as far as you're aware, from your side of things with the regulator, it was just the regulator providing input with the Minister's office.

**PETER DAY:** There was no input. I provided no input. It was basically looking at it, and that was it.

**Ms CATE FAEHRMANN:** The draft report, again?

**PETER DAY:** Yes, I provided no input to anything on that.

**Ms CATE FAEHRMANN:** Just to be clear, you saw the draft report, not just a single recommendation.

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**PETER DAY:** No, the single recommendations, I saw, not the report itself.

**The Hon. DAMIEN TUDEHOPE:** Mr Johnston, in relation to EV road user charge, which will no longer be collected, how much had Revenue anticipated collecting in relation to electric vehicles road user charge.

**SCOTT JOHNSTON:** We're not currently collecting that, so I think, from a forecasting perspective, that would be a question for Treasury.

**The Hon. DAMIEN TUDEHOPE:** Ms Wilkie?

**JOANN WILKIE:** I'll have to take on notice the exact forecast. It will be the costing of the original proposal because it's not within the forward estimates yet. It's not scheduled to be started to be collected until 1 July 2027.

**The Hon. DAMIEN TUDEHOPE:** Correct, but you'd be aware that, potentially, this is something which we may be wanting to seek to recover from the Commonwealth in the event that we're not able to recover it. Have representations been made or represented to the Commonwealth in relation to how they will treat EV road user charge?

**JOANN WILKIE:** Yes, there's a few issues in there; let me unpack that a little bit. As Mr Coutts-Trotter said this morning, the Vanderstock case applies to the Victorian road user charge. In light of that though, it does certainly behove us to look at what the implications of that are for the New South Wales road user charge. That is being undertaken at the moment. The second thing that is being done, as you implied in your question, is conversations with the Commonwealth both around what is the future of road user charges of this sort of nature in Australia and what can all jurisdictions do on that front. Then the second one, which is, in the event that there are additional High Court cases that overturn the States' rights to impose similar taxes or other taxes, what will we do with the Commonwealth in such an event, which is where the windfall tax issue is part of that discussion.

**The Hon. DAMIEN TUDEHOPE:** Just in relation to that, I think point of consumption tax is one of those taxes which would fall within that category and I think Mr Coutts-Trotter identified the windfall tax discussions which are being held with the Commonwealth at the moment. Can you confirm whether there is currently before Treasury any proposal to increase the point of consumption tax from 15 per cent to 20 per cent?

**JOANN WILKIE:** In terms of the point of consumption tax, I'm not aware of any current cases in Australia that would, in the context of the Vanderstock ruling. In terms of other proposals that the Government may be considering around point of consumption tax, the Government is always looking at various issues around taxation and I'm not going to—

**The Hon. DAMIEN TUDEHOPE:** I'll put to you a specific proposal. In relation to gaming revenue, is there a proposal to increase the tax rate from 15 per cent to 20 per cent?

**JOANN WILKIE:** The Government has a whole heap of things that it's looking at in the context of taxation revenue, Mr Tudehope, and I'm not going to make any comment on policy advice or advice in front of them.

**The Hon. DAMIEN TUDEHOPE:** I take it that's not a no. Mr Johnston, in the three months between the budget and the half-yearly review, the anticipated tax raised by transfer duty was revised upwards by nearly a billion dollars, about \$957 million, and land tax was revised up by \$1.765 billion, which was a total increase of \$2.722 billion over four years.

**The CHAIR:** Mr Tudehope, what was the first figure?

**The Hon. DAMIEN TUDEHOPE:** It was \$957 million, or \$0.957 billion. Are you aware of that?

**SCOTT JOHNSTON:** Yes.

**The Hon. DAMIEN TUDEHOPE:** In relation to those projections, are you expecting any further revision of—

**SCOTT JOHNSTON:** Again, I think forecast is a Treasury question to the—

**The Hon. DAMIEN TUDEHOPE:** Should I ask you, Ms Livingstone?

**ELIZABETH LIVINGSTONE:** My colleague—

**JOANN WILKIE:** Back at me, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** Thank you, Ms Wilkie. Between the budget in September and November, that forecast went up nearly \$2.7 billion?

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**JOANN WILKIE:** Which year were you particularly interested in? Or the forward estimates?

**The Hon. DAMIEN TUDEHOPE:** The forward estimates, yes.

**JOANN WILKIE:** Between the budget and half-yearly review, yes, the forecast increased \$957 million. That was largely due to increases in house prices over and above—

**The Hon. DAMIEN TUDEHOPE:** A three-month period?

**JOANN WILKIE:** —between September and November, than we had expected when we did the budget forecasts. Yes, so in a time of when interest rates were going up, we did not anticipate that house prices would continue to increase at the rate at which they did.

**The Hon. DAMIEN TUDEHOPE:** In terms of forecasting going forward, are you expecting similar deviations?

**JOANN WILKIE:** The forecast rounds for revenue for budget, we are in the pre-forecasting stage at the moment, which is where we are reviewing models and reviewing data and that sort of thing. We haven't actually commenced the forecast round for the budget yet.

**The Hon. DAMIEN TUDEHOPE:** You've been doing this for a long time, what would your suggestion be?

**JOANN WILKIE:** Again, I'm not going to venture an opinion.

**The Hon. DAMIEN TUDEHOPE:** Well, given your experience.

**JOANN WILKIE:** Revenue monitoring for transfer duty is actually slightly below where we had expected it at this point in the cycle. Between what has been happening with house prices and what has actually been happening with the actual transfer duty that revenue has been receiving, the signals are very mixed.

**The CHAIR:** Thank you, Ms Wilkie. We will now break for 15 minutes and reconvene at 3.45 p.m.

**(Short adjournment)**

**The CHAIR:** It being 3.45 p.m., we will recommence with another round of questions from the Opposition.

**The Hon. DAMIEN TUDEHOPE:** Mr Smythe, in respect of the view that you formed in relation to the foreign investor surcharge duty, did you obtain any legal advice independently to confirm that view? Or Mr Johnston?

**SCOTT JOHNSTON:** Yes, we did.

**The Hon. DAMIEN TUDEHOPE:** Are you prepared to make available that legal advice?

**SCOTT JOHNSTON:** I will take that on notice.

**The Hon. DAMIEN TUDEHOPE:** I suppose these are old issues, but the COVID hotel bills—where are we up to on that?

**SCOTT JOHNSTON:** Can I clarify which—Revenue NSW collects the charge that was put to people who stayed in the hotels and Treasury looks after the interstate piece. I'm not sure which question you're after.

**The Hon. DAMIEN TUDEHOPE:** The Revenue—the internal COVID hotel bills.

**SCOTT JOHNSTON:** Ninety-two per cent are resolved—\$326.1 million worth of invoices were issued, with \$299.4 million resolved as of 29 January.

**The Hon. DAMIEN TUDEHOPE:** Is Revenue still pursuing those, or is there a proposal to write them off?

**SCOTT JOHNSTON:** Currently we're still working through those. Much of it would be on payment plans et cetera.

**The Hon. DAMIEN TUDEHOPE:** So the 8 per cent which is uncollected may well be on payment plans, is it?

**SCOTT JOHNSTON:** It would be a combination of either not paid at all and—

**The Hon. DAMIEN TUDEHOPE:** Can't find the people, or on payment plans.

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**SCOTT JOHNSTON:** Yes.

**The Hon. DAMIEN TUDEHOPE:** In respect of the Treasury component, Ms Livingstone, this is always in the media—

**ELIZABETH LIVINGSTONE:** Again, I'll refer to my colleague, Ms Wilkie.

**The Hon. DAMIEN TUDEHOPE:** I'm sorry.

**JOANN WILKIE:** That's all right, Mr Tudehope.

**The Hon. DAMIEN TUDEHOPE:** This is always in the media—have we collected any money from Queensland?

**JOANN WILKIE:** We have not recently collected any money from Queensland. Their bills are unpaid, and hence the recent correspondence from the Treasurer.

**The Hon. DAMIEN TUDEHOPE:** Is there any other jurisdiction that hasn't paid its contribution to hotel bills?

**JOANN WILKIE:** Western Australia has also not paid or—sorry, it has outstanding amounts.

**The Hon. DAMIEN TUDEHOPE:** How much is that?

**JOANN WILKIE:** It's \$26.6 million.

**The Hon. DAMIEN TUDEHOPE:** Has similar correspondence been addressed to the Western Australian—

**JOANN WILKIE:** Not that I'm aware of, because they have paid half. They have paid 50 per cent of their overall bill, whereas Queensland—

**The Hon. DAMIEN TUDEHOPE:** Are they on a payment plan too, are they?

**The Hon. CHRIS RATH:** Hardship provisions.

**The Hon. DAMIEN TUDEHOPE:** Given the concessions we made to them on GST, I would have thought that they may have paid that. In respect of a question on the COVID small business grants, are the audits in relation to those concluded yet?

**SCOTT JOHNSTON:** The audits have concluded, yes.

**The Hon. DAMIEN TUDEHOPE:** And how much is currently outstanding as a result of overpayments?

**SCOTT JOHNSTON:** Sorry, just one moment. Can I come back to that?

**The Hon. DAMIEN TUDEHOPE:** Sure.

**SCOTT JOHNSTON:** There is an amount outstanding.

**The Hon. DAMIEN TUDEHOPE:** You also have details in respect of matters which have been referred to prosecution.

**SCOTT JOHNSTON:** Prosecution in relation to fraud?

**The Hon. DAMIEN TUDEHOPE:** Yes.

**SCOTT JOHNSTON:** Service NSW, in conjunction with police, is the agency that deals with the fraud. Any cases where we might have identified through compliance or other means, we refer that to Service NSW.

**The Hon. DAMIEN TUDEHOPE:** How many cases fit into that category?

**SCOTT JOHNSTON:** I'm not aware of how many because, again, Service NSW looks after that part. I'll take it on notice to see how—

**The Hon. DAMIEN TUDEHOPE:** How many have actually been referred by your agency, Revenue, back to Service NSW?

**SCOTT JOHNSTON:** It would be very few, but I'll take that on notice. The majority of issues around fraud were about identity at the outset. That was identified through Service NSW as part of that function.

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**The Hon. DAMIEN TUDEHOPE:** This morning the Minister made some observations in relation to only 0.1 per cent of fines fit within the fine reduction regime in relation to hardship provisions which were introduced. Do you recall that observation being made by the Minister?

**SCOTT JOHNSTON:** Yes.

**The Hon. DAMIEN TUDEHOPE:** The scheme provides this, and this is an extract from your own website, I think:

... you may be eligible for a 50 per cent fine reduction.

These are the conditions:

- Have not yet paid your fine.
- Were receiving a government assistance payment at the time of the offence.
- Can't **pay the fine in full** or set up a **payment plan** to pay in instalments.
- Have not had four or more similar fines within 12 months of the offence date.
- Can't take part in a **Work and Development Order (WDO)**.
- Are not applying about a serious offence or have had a serious offence in the last 12 months. Serious offences are those that have a big impact on other citizens, their safety, property and the environment. Find out more in our **Review Assist Guide**.

You'd be very well aware of those conditions which relate to hardship which you would consider.

**SCOTT JOHNSTON:** Yes.

**The Hon. DAMIEN TUDEHOPE:** And that is within your remit. Are you surprised that only 0.1 per cent of fines fit within that category?

**SCOTT JOHNSTON:** It's a much lower amount, value or number than when we initiated the fairer fines provisions. I think our forecasts were significantly higher than what's—

**The Hon. DAMIEN TUDEHOPE:** The forecasts were high.

**SCOTT JOHNSTON:** Originally.

**The Hon. DAMIEN TUDEHOPE:** Given the eligibility criteria to qualify for relief, to an extent it's not surprising that few people—unless, of course, you're going to change any of those eligibility criteria. Are you proposing to change any of those?

**SCOTT JOHNSTON:** I think the Minister spoke this morning of a wish to look at how this operates. And if so few people are receiving a discount, I think it's worth having a look at is it achieving its purpose. Are there people who would be deserving of that discount—and it's where people can't pay.

**The Hon. DAMIEN TUDEHOPE:** But that's your discretion, isn't it, Commissioner?

**SCOTT JOHNSTON:** I agree, but there's a process and a set of—

**The Hon. DAMIEN TUDEHOPE:** The Minister can't interfere with your discretion.

**SCOTT JOHNSTON:** That's true, but the Minister—as Ministers before have a view about how this could be set in keeping with their priorities, so I wouldn't be intending to do anything without—

**The Hon. DAMIEN TUDEHOPE:** You wouldn't be considering changing the provisions in relation to what constitutes a serious offence which wouldn't give rise to a hardship provision, are you?

**SCOTT JOHNSTON:** Not necessarily, no, but I think the serious offence is an important part of the approach. I think reviewing what we consider a serious offence is something that we should continue to do, which I think's reasonable. I think the way the framing of the process that steps through a whole range of criteria to the point where you might be eligible for a discount makes it quite difficult for someone to qualify. This is part process as well as policy, I think, that we need to think through.

**The Hon. DAMIEN TUDEHOPE:** This is a process for getting a 50 per cent reduction in your fine. Is the Minister suggesting to you that you reduce or increase that list of eligibility criteria?

**SCOTT JOHNSTON:** No. The Minister hasn't suggested that to me.

**The Hon. DAMIEN TUDEHOPE:** Is there a different financial criterion that you would apply?

**SCOTT JOHNSTON:** I think there's a whole range of parameters in this approach, including the fact—an example of mine, not to suggest this is where we would change but something we and I are thinking of, is we

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try to get someone on a payment plan before we consider whether they're eligible for a 50 per cent discount. There will be lots of times where we know someone has no ability to do that and we could offer that earlier, as opposed to going through a whole range of steps, and someone just accepts it. We could lift that, as an option, higher. That might see more people who would otherwise be eligible but select out because—

**The Hon. DAMIEN TUDEHOPE:** You could do that tomorrow.

**SCOTT JOHNSTON:** Absolutely.

**The Hon. DAMIEN TUDEHOPE:** Is that your decision?

**SCOTT JOHNSTON:** Looking at the parameters of the scheme to work out what the impact would be, any change to this will have an impact on a number of things, and so we're working through that. We're also getting feedback from advocates—the issuing authorities that we work with—to see their perspective on how it's working.

**The Hon. DAMIEN TUDEHOPE:** You meet with the fines working group on a regular basis. Are they making suggestions to you in respect of variations to the implementation of this scheme?

**SCOTT JOHNSTON:** They're sharing views. As you'd be well aware, they share views on a whole range of matters. That's important information for us to consider—if this program is changed, how we step it forward.

**The Hon. DAMIEN TUDEHOPE:** You're certainly not going to move away from suggesting work and development orders. A work and development order has an educative benefit, does it not?

**SCOTT JOHNSTON:** Absolutely. Work and development orders are an incredible opportunity for people to resolve their debts and also give value to themselves in community.

**The Hon. DAMIEN TUDEHOPE:** It was a very good Government that introduced work and development orders, wasn't it?

**The CHAIR:** Order! You're seeking an opinion.

**The Hon. DAMIEN TUDEHOPE:** No, that's my opinion.

**The Hon. Dr SARAH KAINE:** Can we have that scratched from *Hansard*?

**The Hon. DAMIEN TUDEHOPE:** It's my opinion and the commissioner can agree.

**The CHAIR:** It wasn't at the end.

**SCOTT JOHNSTON:** I gave my view on work and development orders. It's a really valuable—and at the time was absolutely nation-leading—program and gives a great opportunity for thousands of people who can't afford to pay a debt to resolve it in other ways.

**The Hon. DAMIEN TUDEHOPE:** So that would be a priority.

**SCOTT JOHNSTON:** Absolutely. But not everyone, due to age—it might be about disability. There's a range of reasons why people can't fulfil a work and development order, and how we think about a person's circumstances in each case and how that then applies to what choices we've got is something that we should think about. Can it be better? Can it be done in a better way and give—

**The Hon. DAMIEN TUDEHOPE:** This has been in place for nearly two years now, and we've not had much variation. Why haven't you done anything in the last two years? These eligibility criteria are not for the Minister to set; they're for you to set.

**SCOTT JOHNSTON:** Mr Smythe just whispered into my ear an important fact. They are ministerial guidelines that do need to be signed off by the Minister. So it needs to be done with support by the Minister, who has a keen interest in it. Why has it not changed in two years? I think sometimes you need to see how these things work.

**The Hon. DAMIEN TUDEHOPE:** You bed them down for a period of time and see how they work.

**SCOTT JOHNSTON:** You do. But I take that feedback. You can always act quicker on things.

**The Hon. DAMIEN TUDEHOPE:** The fines working group is always full of suggestions in respect of, certainly, hardship cases and they would be saying that your office should be taking a more lenient view. You haven't seen fit to vary the guidelines or make recommendations in relation to varying the guidelines in the last two years.

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**SCOTT JOHNSTON:** Not as yet, no.

**The Hon. DAMIEN TUDEHOPE:** It's up to you.

**Ms CATE FAEHRMANN:** I want to turn to a different issue but, again, I think with you, Mr Day. The specific exploration licence which was granted ultimately to Peabody is exploration licence 9399. It's the big one that's over—well, a lot of them are big—1,668 hectares of agricultural land. The one that is around Wollar village. Are you aware of the one I'm talking about?

**PETER DAY:** No, I'm not actually.

**Ms CATE FAEHRMANN:** This is a big licence that, as I said, covers almost 1,670 hectares of agricultural land, basically in the Mudgee region. I've got a couple of questions around the process in terms of the level of transparency for these exploration licences, in terms of the role of the regulator. I understand that you're responsible for the regulation of exploration activities, which includes things like conducting probity and compliance checks on applicants as well as conducting site inspections and investigations and things like that. Is that throughout the period that the company owns the exploration licence?

**PETER DAY:** We'll do a range of activities, starting with activity approvals—the actual application itself—and apply conditions onto that. From that, as part of that application process, we will consider the review of environmental factors and publish our own on the website if it meets that criteria under section 5A of the planning and assessment Act. In terms of compliance activities post that, we do a range of activities predominantly focusing on audit arrangements, and also we do other investigations if we receive complaints as well.

**Ms CATE FAEHRMANN:** I understand that the proponent here, the leaseholder, has an extensive drilling program in terms of exploration drilling. Do you think they'd normally be required to do a review of environmental factors for that?

**PETER DAY:** They would have to have done a review of environmental factors as part of their application for an activity approval, yes.

**Ms CATE FAEHRMANN:** The REFs are always public, aren't they?

**PETER DAY:** It depends on if they are public in terms of a public interest test or if they meet criteria, are more than \$5 million, or have other licences under that process as well.

**Ms CATE FAEHRMANN:** Just explain the public interest test to me. You're saying there can be a review of environmental factors for some exploration licences that don't become public because they're minor and there's no interest in making them public?

**PETER DAY:** Yes, that's correct. There's criteria there under the planning and assessment Act.

**Ms CATE FAEHRMANN:** This one, 1,668 hectares of agricultural land surrounding Wollar village in the Mudgee region, granted May 2022, undertaking extensive drilling—that does sound like it would be in the public interest.

**PETER DAY:** My understanding is that the requirement to publish it came into effect on 1 July 2022.

**Ms CATE FAEHRMANN:** I am being told that, in fact, if there is a review of environmental factors for the exploration program, it's not publicly available—if, indeed, it's been done. If you're able to check that for me.

**PETER DAY:** Yes, I'll take that on notice.

**Ms CATE FAEHRMANN:** I also understand, with this exploration licence, that there's very little transparency, if any, around the whole exploration licence. Of course, the community who are living there and have this exploration licence very near them are wanting to find out more about it. There's a work plan, so schedule 5 to the instrument of grant—there's usually a work plan under that. Is that usually a public document?

**PETER DAY:** They'll submit their review of environmental factors. We have to do our own review against that, and then we make a determination whether it meets those requirements. That basically informs any conditions, going forward, that they'll need to comply with. In terms of transparency around compliance activities, we publish any audit reports that we do on exploration.

**Ms CATE FAEHRMANN:** You might need to look into this one for me if you don't know about it now, because it certainly sounds like this is an exploration licence and activity that would require a review of environmental factors and then trigger the process that you're talking about—the review and then a work plan under—

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**PETER DAY:** Sorry, a review of environmental factors is a compulsory part of that process, so it comes in as part of the application. I thought what you were talking about was the actual publishing of that documentation. So two things.

**Ms CATE FAEHRMANN:** Yes, so there's definitely a review of environmental factors.

**PETER DAY:** Yes.

**Ms CATE FAEHRMANN:** You're saying that—

**PETER DAY:** It won't get approved—

**Ms CATE FAEHRMANN:** —possibly they haven't published it.

**PETER DAY:** That's right. It would have to have had a review of environmental factors.

**Ms CATE FAEHRMANN:** Even if the REF isn't public, what about the work plan under schedule 5 to the instrument of grant?

**PETER DAY:** In terms of what they're applying for?

**Ms CATE FAEHRMANN:** What the public sees in terms of transparency around the whole exploration licence. We could take a step back and say, for something like that, because I've been told that the review of environmental factors isn't public, what is public? When that's not public, is the work plan public? Is there any other way for the community to see what the conditions are for their activity?

**PETER DAY:** It's public only if it meets certain criteria under that section 5A. So we determine that at the point of that. As I said before, that came into effect in July 2022.

**Ms CATE FAEHRMANN:** So are you aware—

**PETER DAY:** And the work plan is reviewed by GeoSurvey in regards to the actual exploration program itself, so that's a different part of MEG actually review the work plan itself.

**Ms CATE FAEHRMANN:** This has all come about after the process when Wollar—this is under the John Barilaro coal strategy developed in April 2021 and still warmly embraced by this Labor Government, strangely enough—was opened up in terms of a competitive process for exploration licences. The only company interested, ultimately, was Peabody. As part of that process there was then the Wollar initial suitability assessment. You're aware of that—that identified issues?

**PETER DAY:** That was all before my time and in different parts of MEG.

**GEORGINA BEATTIE:** Those questions are probably better directed to me rather than Mr Day.

**Ms CATE FAEHRMANN:** Okay. The issues in that suitability assessment—there were quite a few different environmental issues, water issues and other things that needed to be taken into consideration with that exploration licence. You look at this and you think there certainly should be a public review of environmental factors actually, considering what was identified in this suitability assessment. For example, it said that the Wollar initial suitability assessment identified quite a few issues that would need to be addressed in any exploration or mining, including the need to avoid, minimise and offset any impacts on endangered ecological communities or threatened species, including regent honeyeater habitat, in accordance, obviously, with the Biodiversity Offsets Scheme.

There was the heritage and biodiversity conservation of the Goulburn River National Park, managing potential impacts to surface water quality and things like having open and transparent communication with the Wollar community. I understand quite a few people in the little township of Wollar have, of course, been displaced, but there are still people living around Wollar that are very concerned about this activity. Avoiding impacts on significant environmental heritage—and we go on and on. But there's been zero transparency around Peabody's current exploration program regarding any of these issues. My question is to the department today: Why is there zero transparency around Peabody's exploration activities when all of this was identified early on in the piece under the former Government?

**GEORGINA BEATTIE:** Every titleholder has requirements under its title to comply with the various conditions and, as Mr Day has outlined, the Resources Regulator has various activities to ensure that compliance. The specifics of this particular title—the Peabody title around the Wollar area, and I recall a couple of years ago when that was issued—we'll need to take that on notice, and we can come back to you with the details around that. I'm just not familiar with the specific details of the transparency.

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**Ms CATE FAEHRMANN:** I can tell you there is zero transparency. The community can't see the review of environmental factors. They can't see anything underpinning it—the work plan or anything. There were these strict conditions, if you like, saying that this area is suitable as long as all of these values are protected, and then there is absolutely nothing that anybody can look at from the community to ensure that those values are being protected. I hate to say it, but we know that when the community actually is able to look at a lot of these activities, that's when sometimes not-so-great activities by mining companies are exposed. It's not surprising, is it, that the community is concerned at the lack of transparency. Why wouldn't there be? This sounds like a big exploration licence. It's a big company, it's a big area and it's a sensitive area. Would there be a reason it wouldn't be—

**GEORGINA BEATTIE:** I understand your concerns, I'm just not familiar with that particular work program. We'll need to take it on notice, and we can come back to you with some details around what activity is occurring there under the title, what transparency is required and whether they're compliant or not.

**Ms CATE FAEHRMANN:** Okay. As part of that, I wondered if you could also just have a look at the Wollar suitability assessment. Where it says, "Quite a few issues would need to be addressed in any exploration and mining, including the need to have open and transparent communication with the Wollar community", do you have any further information on that in terms of what is open and transparent communication? Are there guidelines to ensure that the mining companies, when that needs to be addressed, do what's required—to make sure that they are communicating? It does seem quite extraordinary. I hear you've taken it on notice. I've just given you a little bit more to take on notice. That's it from me, once this is done.

**GEORGINA BEATTIE:** I might just add, there are requirements to engage with the community. There is a code of practice for exploration, and we certainly expect that title holders, when they're exploring, they are communicating with landholders and with the community around their activities. But, again, I will need to take on notice the specifics of that particular title.

**Ms CATE FAEHRMANN:** If you could take it on notice, and be assured that if it does come back with what seems like an extraordinary lack of transparency—the Minister's not here in terms of policy but I will be taking up with the Minister why it's happened that Peabody has gotten away with this exploration licence with such appalling transparency. Hopefully, the community's wrong and it's buried in the website somewhere, but I doubt it, given the experience of the people who are looking at this.

**PETER DAY:** There is a requirement around a community consultation code as well, around where the company would have consulted with the community. And some of those conditions would be available online in DIGS as well, which is another online forum administered by MEG around exploration sites.

**Ms CATE FAEHRMANN:** Okay. I'll get you to still take what you said you'd take on notice, despite what you've just said, Mr Day, if that's okay, in terms of more detail.

**PETER DAY:** Yes, sure.

**GEORGINA BEATTIE:** And community members are always welcome to contact the Resources Regulator as well, and where there is a complaint, we can investigate.

**Ms CATE FAEHRMANN:** They may well have done that.

**The CHAIR:** Ms Beattie, you had an answer to a part of a question or to a question that was taken on notice?

**GEORGINA BEATTIE:** Yes, thank you, Chair. I just wanted to follow up, Mr Rath, with a question you asked about vacancies on the expert panels. The regulation requires panels to have between five and 10 members. I think I mentioned that earlier. But we're not required to have the full 10 members on each panel. So in terms of each of the areas, in the Central West there are currently five members, which would mean that there are five potentially vacant positions; in the Hunter there are seven current members; in the Illawarra there are eight members; and in the North West there are five members.

**PETER DAY:** And, Chair, while we're on a roll with that, also there was a question on notice I took from Ms Faehrmann before lunch around water management—discharge from Russell Vale. Russell Vale operates under an EPL from the EPA, so they have a remit for discharges. But, obviously, the water management going forward will be an integral part of the rehabilitation management plan as part of that process as well. That connects in with each other at both agencies.

**The CHAIR:** Thank you very much, Mr Day. That concludes this hearing for the inquiry into the expenditure in this particular portfolio. Thank you very much to all the officials for coming to this hearing and all the other ones. We very much appreciate your evidence. The secretariat will be in contact in due course regarding

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any questions that were taken on notice. Thank you all very much. We will see you next time and thank you, Committee.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**