

Morning session

Economic cost of natural disasters	
<p>The Hon. COURTNEY HOUSSOS: Sorry. Let me be very clear: I don't see a cognitive dissonance between that. What I would say is that this Government—in particular, this year—has spent a significant amount of money on emergency relief measures, particularly across regional New South Wales, in ensuring that people affected by natural disasters receive the support that they need from the Government, whether that's in Lismore and in the Northern Rivers for the flooding that we've seen there, or whether it's continuing to rebuild parts of the South Coast from the bushfires down there.</p> <p>The CHAIR: Are you aware of the estimates of the cost to the economy of those two disasters?</p> <p>The Hon. COURTNEY HOUSSOS: Mr Buckingham, I'd have to come back to you on that one. I don't have it.</p> <p>The CHAIR: The Lismore disaster is estimated to have been about \$6 billion to \$8 billion for one event, and the Black Summer fires are estimated to be between \$80 billion and \$100 billion. The majority of that cost has been borne by the community, by private residents. Do you think that coalmining is worth it in the context of its impacts on climate change and climate change's impacts on our economy?</p>	
<p>ANSWER:</p> <p>The estimates put forward by the Chair are not Government estimates. This question is more appropriately directed to the Minister for Planning and Public Spaces and the Minister for Emergency Services.</p>	

<p>Stamp duty on insurance and insurance requirements in government contracts</p>	
<p>The Hon. DAMIEN TUDEHOPE: I'll just return, Minister, to the question I was asking you the last time we were talking. The Insurance Council of Australia advocated that stamp duty on insurance adds 9 per cent to the cost of insurance, further undermining the affordability and contributing to underinsurance. I ask you this: Has the Government given any consideration in relation to reducing or abolishing stamp duty on insurance?</p> <p>The Hon. COURTNEY HOUSSOS: I'll have to come back to you on that. Let me check. I'm not aware of considerations at the moment.</p>	
<p>ANSWER:</p> <p>All aspects of the NSW tax system are considered by the Government through the preparation of the Budget.</p> <p>Under the NSW Procurement Policy Framework, for all procurements of any value, agencies should minimise insurances and indemnities imposed on suppliers, with risk allocated to the party best placed to mitigate or manage those risks.</p>	

Minister for Finance, Domestic Manufacturing and Government Procurement, and Natural Resources – Questions on Notice – November 2023

Regional health	
<p>The Hon. COURTNEY HOUSSOS: Thank you, Mr Chair. The thing that those valuable coal royalties are going towards is putting nurses—particularly in regional areas, I should say. It's going towards delivering 500 new paramedics in our regional areas. It's going towards making the 1,112 nurses that your Government failed to provide funding for—</p> <p>The Hon. SARAH MITCHELL: Chair, with respect to the Minister—</p> <p>The Hon. COURTNEY HOUSSOS: I can come back to you on notice and give you a breakdown of those particular regional areas—</p> <p>The Hon. SARAH MITCHELL: No, I don't need that. What I would like—</p> <p>The Hon. Dr SARAH KAINE: Point of order—</p> <p>The Hon. COURTNEY HOUSSOS: —where those temporary nurses were employed.</p>	
<p>ANSWER:</p> <p>As noted in the text, an answer was offered but declined. Based on advice from the Budget Estimates Secretariat, no further response is required.</p>	

ClubGRANTS	
<p>The Hon. ROBERT BORSAK: On a slightly different tack, I noticed recently that the Government is intending to do a review of the New South Wales ClubGRANTS scheme. Have you got any comment to make in relation to that?</p> <p>The Hon. COURTNEY HOUSSOS: I am aware that 57 per cent of the ClubGRANTS category 3 fund had been awarded to projects in the Coalition electorates. But I would have to come back to you with some more detail on that. I am not specifically overseeing that one.</p> <p>The Hon. ROBERT BORSAK: Is it the Government's intention at some stage to take over the grants scheme away from clubs themselves?</p> <p>The Hon. COURTNEY HOUSSOS: That is a process that is under review at the moment and being managed by a different Minister. I would assume that it would be the Minister for Gaming and Racing but, again, I would have to check that and come back to you, Mr Borsak.</p> <p>The Hon. ROBERT BORSAK: If you could, please, that would be good.</p> <p>The Hon. COURTNEY HOUSSOS: Absolutely</p>	
<p>ANSWER:</p> <p>As noted in the hearing, the review is being managed by the Minister for Gaming and Racing.</p>	

<p>Procurement Policy Framework</p>	
<p>The Hon. DAMIEN TUDEHOPE: So what changes have you made to the Procurement Policy Framework or to procurement practices to incorporate the new definition of "value for money"?</p> <p>The Hon. COURTNEY HOUSSOS: We've begun work on how we are going to better use our government procurement dollars. That is specifically around implementing our commitments that we made around local content. But we are still operating under the existing devolved procurement framework. There are some significant issues with the way that that operates.</p> <p>The Hon. DAMIEN TUDEHOPE: So you've made no changes to the Procurement Policy Framework to date?</p> <p>The Hon. COURTNEY HOUSSOS: I'll have to come back to you with the specifics.</p>	
<p>ANSWER:</p> <p>Please refer to the answer to Supplementary Question 75.</p>	

Coal seam gas	
<p>The CHAIR: Thank you, Minister. The chief scientist did a review of coal seam gas and came up with a range of recommendations, some of which have not been implemented. It was the subject of a Legislative Council inquiry. Is the Government committed to implementing all the recommendations of the chief scientist when it comes to coal seam gas regulation?</p> <p>The Hon. COURTNEY HOUSSOS: I'm delighted that you're asking me a question about an inquiry that I wasn't on. I'm happy to come back to you with some more detail on that. I'm not sure whether that was specifically in my portfolio. When was that report handed down?</p> <p>The CHAIR: I think it was in 2020. Ms Boyd was on it, I think. So you will take that on notice?</p> <p>The Hon. COURTNEY HOUSSOS: I will definitely come back to you with some more information on that matter.</p>	
<p>ANSWER:</p> <p>I am advised that the former Government implemented all of the recommendations made by the Chief Scientist and Engineer in the 2014 Final Report of the Independent Review of Coal Seam Gas Activities in NSW.</p> <p>In 2019, 14 of the 16 recommendations were complete and 2 were in progress.</p> <p>Since then, the final 2 recommendations (4 and 9) have been completed by the Environment Protection Authority and Department of Regional NSW.</p>	

Strategic statement on coal exploration	
<p>The CHAIR: The strategic statement on coal exploration outlines three key areas—Coolah South, Giants Creek and Gorman North—as future areas for coal release. Is the Government committed to assisting industry to develop and expand coalmining in those areas as the strategic statement on coal exploration intends?</p> <p>The Hon. COURTNEY HOUSSOS: I'd just make a couple of points in relation to coalmining and expansions. We were really clear before the election that we support the independent planning assessment process of resources projects, and that is the important overarching principle. So that is our key—</p> <p>The CHAIR: That is the development of a potential coalmine, but this is where those potential developments may occur.</p> <p>The Hon. COURTNEY HOUSSOS: Yes, so in relation to those specific areas I'd probably refer you to the CEO of Mining, Exploration and Geoscience to give you specific details. From a whole-of-government approach, we would say that we support an independent assessment of planning of all resources projects. In relation to any expansion of existing coalmines or new coalmines, they would have to go through that independent process, and I would look closely before I think probably providing any further remarks in relation to that, so I might just come back to you on notice in relation to that.</p> <p>The CHAIR: I'll raise it with Ms Beattie this afternoon.</p>	
<p>ANSWER:</p> <p>The Government has made no commitment to release these areas for coal exploration under the Strategic Release Framework.</p>	

<p>Petroleum exploration licences</p>	
<p>The CHAIR: Fantastic. Minister, four petroleum exploration licences renewed by the previous Government extend across 1.2 million hectares of land in north-west New South Wales, affecting some of our most vital groundwater resources, including the productive groundwater of the Liverpool Plains and aquifers of the Great Artesian Basin. These licences predate the recommendations of the Chief Scientist's report and the Strategic Release Framework. Minister, how will you ensure that before any further coal seam gas exploration activities are carried out these PELs are assessed under the New South Wales contemporary framework for managing impacts?</p> <p>The Hon. COURTNEY HOUSSOS: In relation to those specific exploration licences, I might get the CEO just to give you a bit more specific detail. I am very across the detail of one particular one in relation to Kahlua wells and the reactivation of that particular mine, but more broadly it might be helpful for the CEO just to give you some details.</p> <p>GEORGINA BEATTIE: Mr Buckingham, there are four petroleum exploration licences that exist in New South Wales and they were renewed in April 2022, and that was a renewal of existing titles. They were actually originally granted quite some time ago, so they are an existing title that came into effect before that Strategic Release Framework you mentioned.</p> <p>The CHAIR: Yes, but with new approvals—for activities within those PELs—how are you ensuring that the recommendations from the Chief Scientist apply to that?</p> <p>The Hon. COURTNEY HOUSSOS: I am happy to come back to you with some more detail on that, Mr Buckingham.</p>	
<p>ANSWER:</p> <p>Petroleum exploration activities must obtain approval under Part 5 of the Environmental Planning and Assessment Act 1979. This assessment includes input from the EPA and other relevant government agencies.</p>	

Scyne Advisory	
<p>Ms ABIGAIL BOYD: Can I just ask you about Scyne Advisory, looking back at the restrictions that were placed on PwC when that scandal first hit. I understand that Scyne Advisory is now sort of up and running and seeking to get business from government clients. Have you met with them already?</p> <p>The Hon. COURTNEY HOUSSOS: No, I haven't—I don't think that I have met with them, specifically. I might just refer you to—the deputy secretary is looking at me with these knowing sort of eyes. She has some more information for you.</p> <p>SONYA CAMPBELL: Thank you, Minister. Just to confirm: The Minister hasn't, but the NSW Procurement team have met with them.</p> <p>Ms ABIGAIL BOYD: Will the Procurement team be putting in place a similar monitoring process to what the Federal Government is imposing onsite?</p> <p>SONYA CAMPBELL: No decision has been made on that yet, Ms Boyd, but those are matters that are being considered by the Procurement Board.</p> <p>Ms ABIGAIL BOYD: Minister, what measures do you think would be appropriate in relation to any attempts to engage this new advisory group?</p> <p>The Hon. COURTNEY HOUSSOS: I would just make a few comments in relation to consultants. I would very much say that we are following the work that your committee and your committee members are doing closely, because we really want to change the way that consultants are used by the New South Wales Government. There is no doubt that there is a need for specialised expertise to be brought in from time to time. I know that within, for example, some of my own directly responsible areas there's a need for specialised actuarial advice or some kind of very specialised technical support. But the way that the previous Government—and we have canvassed this extensively through the Auditor-General's report—spent over \$1 billion on consultants, broadly contracting out key functions of government, that is something that I am directly keeping a close eye on, and we have made specific savings measures in relation to that.</p> <p>Ms ABIGAIL BOYD: Just specific, just because I've only got a minute left—</p> <p>The Hon. COURTNEY HOUSSOS: I'm sorry.</p> <p>Ms ABIGAIL BOYD: That's okay.</p>	

<p>The Hon. COURTNEY HOUSSOS: You've got me on an issue that I am quite passionate about. In terms of the specific measures, I might come back to you on notice with those ones, if that's okay.</p> <p>Ms ABIGAIL BOYD: Okay.</p>	
<p>ANSWER:</p> <p>As part of the separation of PwC and Scyne Advisory, Scyne Advisory has been required to seek pre-qualification in NSW Government schemes as if they were a new business.</p> <p>By way of example, pre-qualification of Scyne Advisory for the Performance & Management Services scheme (SCM0005) has involved:</p> <ul style="list-style-type: none"> • Demonstration of capability and experience in the service (engagement) types applied for, including case examples and referee testimony. • Financial viability assessment. • Review of Scyne's proposed operating and governance model. • Confirmation of Scyne Advisory's personnel profile, including confirmation that employees transferring from PwC were not implicated in the Collins / PwC breach of confidentiality matter. • Confirmation of compliance with SCM0005 scheme rules and conditions, which include the supplier code of conduct, the standard commercial framework, and associated reporting requirements. <p>NSW Treasury prepares an annual report on the use of SCM0005 suppliers across agencies, which will include Scyne Advisory. This report is provided to the NSW Procurement Board and made publicly available on NSW Treasury's website.</p> <p>If any additional oversight or measures are required, they will be implemented as needed.</p>	

Afternoon session

Revenue NSW	
<p>The Hon. DAMIEN TUDEHOPE: My initial questions are directed to Revenue. There have been some 10,000 letters directed to small businesses, and I think they've been letters to those small businesses involved in microbusiness grants during COVID. For the purpose of issuing those letters, what were the criteria for deciding whether a business received one of those letters?</p> <p>MANDY YOUNG: Thank you for your question, Mr Tudehope. The microbusiness grants have operated out of Service NSW, so Service NSW has actually managed the compliance reviews and processes in that place. Revenue NSW is only doing debt collection, so if they feel that someone hasn't complied then we collect that debt. That decision is made by Service and then sent to us, and we would send out the letters for debt collection.</p> <p>The Hon. DAMIEN TUDEHOPE: Have you got a copy of the letters?</p> <p>MANDY YOUNG: We have a copy of the compliance letters from Service NSW, but the debt collection would be our standard debt collection letters.</p> <p>The Hon. DAMIEN TUDEHOPE: To the best of your knowledge, do the letters addressed to those businesses require them to produce various records?</p> <p>MANDY YOUNG: I think I would have to have—best answered by—</p> <p>The Hon. DAMIEN TUDEHOPE: The letters are issued by Revenue, are they not?</p> <p>MANDY YOUNG: No, they're issued by Service NSW. For the microbusiness grant, by Service NSW, from a compliance point of view.</p> <p>The Hon. DAMIEN TUDEHOPE: But what role does Revenue have in relation to that?</p> <p>MANDY YOUNG: If Service identifies that there is a debt to be repaid, they refer that debt to us and then we collect that debt.</p> <p>The Hon. DAMIEN TUDEHOPE: If the end process of the correspondence which has been directed to those microbusinesses is that there is a determination made by Service NSW that there is a debt to be collected, that will be referred to Revenue to collect?</p> <p>MANDY YOUNG: To Revenue, yes.</p> <p>The Hon. DAMIEN TUDEHOPE: Do you have any knowledge as to whether the correspondence addressed to those businesses suggests that there may be criminal penalties involved?</p> <p>MANDY YOUNG: I would have to check. I'd have to come back to you on that.</p>	

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<p>The Hon. DAMIEN TUDEHOPE: Could you take that on notice and perhaps—</p> <p>MANDY YOUNG: Yes.</p>	
<p>ANSWER:</p> <p>This question is best addressed by Service NSW and should be directed to them.</p>	

Revenue NSW	
<p>The Hon. DAMIEN TUDEHOPE: In your view, may it have an impact, for example, on insurance duty?</p> <p>CULLEN SMYTHE: I don't have a view.</p> <p>The CHAIR: Order! Mr Tudehope, according to the resolution, we can't ask public officials for their opinion on policy.</p> <p>The Hon. DAMIEN TUDEHOPE: This is one of the best lawyers that exists in Revenue NSW, but anyway. Ms ABIGAIL BOYD: To the point of order: It was not really a question about policy. It was a question—</p> <p>The Hon. DAMIEN TUDEHOPE: About a legal opinion.</p> <p>The Hon. BOB NANVA: It's seeking an opinion.</p> <p>The CHAIR: It was seeking an opinion.</p> <p>The Hon. DAMIEN TUDEHOPE: Legal opinion.</p> <p>Ms ABIGAIL BOYD: But the rule is against Government policy being asked for from government officials. You can ask them their opinions on things.</p> <p>The Hon. STEPHEN LAWRENCE: It's not relevant, I would suggest, also.</p> <p>The CHAIR: I was reminding the honourable member of that resolution.</p> <p>The Hon. DAMIEN TUDEHOPE: Are you ruling the question out of order?</p> <p>The CHAIR: No.</p> <p>The Hon. DAMIEN TUDEHOPE: I will press the question.</p> <p>CULLEN SMYTHE: I refer back to my previous response. It's quite early. I do have a copy of the case I prepared earlier.</p> <p>The Hon. DAMIEN TUDEHOPE: I have one, too.</p> <p>CULLEN SMYTHE: It probably won't come as much of a surprise that in my spare moments I do go back over various passages of it. It's a weighty decision; it's over 300 pages. It has a very solid justification both of the majority and of the dissent.</p> <p>The Hon. DAMIEN TUDEHOPE: It was 4-3.</p> <p>CULLEN SMYTHE: Yes, as was Ha v Victoria, so we're a good 30 years down from the last case.</p> <p>The Hon. DAMIEN TUDEHOPE: Which they wouldn't reopen, by the way, Ha v Victoria.</p>	

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CULLEN SMYTHE: Yes, I noticed. I think, given the size of the case and the issues involved, it will probably be some time before there's—

The Hon. DAMIEN TUDEHOPE: If I was to ask you this: On your reading of the case, if it was to expand to other duties, what would they be, in your view?

CULLEN SMYTHE: I would need to consider the case in more detail and take the question on notice.

The Hon. DAMIEN TUDEHOPE: I'm happy for you to take that on notice.

ANSWER:

The judgment in the Vanderstock case remains under consideration by the NSW Government.

<p>Revenue NSW</p> <p>Ms ABIGAIL BOYD: I want to come back to the hotel quarantine bills. Are you able to give me any kind of update on how many of those bills are still outstanding?</p> <p>MANDY YOUNG: Yes, I can give you that detail. As of 30 September we had a total of 163,000 quarantine invoices issued to customers. Of those, 139,000 or so were paid. There were another 14,000 that were withdrawn. There are 17,480 customers who still have a debt outstanding.</p> <p>Ms ABIGAIL BOYD: It has not gone down very much. I think it was—</p> <p>MANDY YOUNG: The original amount that was due to be paid is \$326 million. We've collected \$242 million of that and waived another \$44 million of that.</p> <p>Ms ABIGAIL BOYD: What does that leave?</p> <p>MANDY YOUNG: We're left with \$38.4 million outstanding.</p> <p>Ms ABIGAIL BOYD: It was 39.3 reported last month.</p> <p>MANDY YOUNG: Yes, and in that time we've collected more.</p> <p>Ms ABIGAIL BOYD: And the 14,000 that were withdrawn or waived, why were they?</p> <p>MANDY YOUNG: It would be a variety of reasons. I can get back to you with the detail, in terms of taking that on notice for the variety of reasons. Some of them are due to hardship. A range of things might sit in that space.</p> <p>Ms ABIGAIL BOYD: It was also reported, I think it was last month, that 5,190 bank accounts had been directly accessed to pay these fines. Have more now been accessed?</p> <p>MANDY YOUNG: Again, I will take it on notice, but I don't understand that we haven't done any more garnishee orders; the difference, though, being that an order can be made. There were 5,000-odd orders made. I'll get you the number in a second. It's less people—</p>	
<p>ANSWER:</p> <p>Over 90% of Quarantine fees were waived because they were exempt under the booking rule: “If you booked your flights before 13 July, midnight, then you were exempt from the fee.”</p> <p>The remainder were for a variety of reasons from NSW Health which includes the following:</p> <ul style="list-style-type: none"> • Data error – the invoice was incorrect, so it was returned for a correct invoice to be issued. 	

- Otherwise exempt – customer met another exemption rule such as Australian Defence Force member, air crew etc.
- Hardship – debt was waived on the grounds of financial hardship.
- Duplicate – the invoice was a duplication of another.

Revenue NSW does not access bank accounts directly, a Garnishee Order directs a customer's employer, bank or third party to deduct money from wages, bank accounts or any other amounts that is owing up to the value of the order.

Additional Garnishee Orders have been issued. 5,267 bank accounts had been directly accessed to pay these fees.

1,441 of those Garnishee Orders were successful with a total value \$3,111,316.77 recovered.

Revenue NSW	
<p>Ms ABIGAIL BOYD: What's the average debt recovery cost being applied to those amounts once they've been taken out?</p> <p>MANDY YOUNG: I'd have to take that on notice.</p>	
<p>ANSWER:</p> <p>Debt Recovery Cost is \$65.</p>	

Revenue NSW	
<p>Ms ABIGAIL BOYD: The debt recovery cost—perhaps you need to take it on notice—how is that calculated?</p> <p>MANDY YOUNG: I will take it on notice. We do a fee-for-service charge to Sydney Local Health District, who we collect on behalf of. We can get that information to you in terms of how much that has been.</p> <p>Ms ABIGAIL BOYD: Can you tell me how many complaints you've had from people who have had their bank accounts accessed in order to pay those fines?</p> <p>MANDY YOUNG: Again, it's something I'd have to take on notice. It may be difficult for us to get the data on exactly what the complaint was for.</p> <p>Ms ABIGAIL BOYD: If you could try, it would be great to have a look at that.</p>	
<p>ANSWER:</p> <p>Revenue NSW applies the debt recovery cost as per the relevant Regulation (State Debt Recovery Regulation 2018 - Reg 4).</p> <p>Revenue NSW handles all complaints in accordance with its complaints handling policy.</p>	

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Revenue NSW	
<p>Ms ABIGAIL BOYD: But do we still have 29,000 outstanding of those COVID fines?</p> <p>MANDY YOUNG: Give me one moment and I will tell you. We have 13,543 unresolved as at the end of September.</p> <p>Ms ABIGAIL BOYD: What's the value of that?</p> <p>MANDY YOUNG: I'd have to take that on notice.</p>	
<p>ANSWER:</p> <p>This question was answered on page 66 of the transcript.</p>	

Revenue NSW	
<p>Ms ABIGAIL BOYD: Perhaps on notice, could you let me know how much is being spent on debt recovery measures in relation to those fines?</p> <p>MANDY YOUNG: Yes.</p> <p>CULLEN SMYTHE: Yes.</p>	
<p>ANSWER:</p> <p>Revenue NSW does not allocate specific funding to individual debt recovery activities such as Covid-19 Fines.</p>	

Future Jobs and Investment Authorities	
<p>GEORGINA BEATTIE: It's really to establish the authorities. The commitment was to establish the authorities to support those communities as part of that transition. As the Minister said this morning—</p> <p>Ms ABIGAIL BOYD: But in terms of the cost?</p> <p>GEORGINA BEATTIE: —she's consulting on what that will look like and is very keen on getting input from those local communities about how they should work.</p> <p>Ms ABIGAIL BOYD: So \$1.2 million, you said, this year? I'm just trying to understand where that money goes in terms of the establishment. I understand how a transitional authority works and how the eventual basic structure might appear. What I'm interested in, though, is that when we talk about this money being used to establish these authorities, what are we talking about, other than presumably there will be some legislation? What's that money being spent on?</p> <p>GEORGINA BEATTIE: It's resources for those functions. The Royalties for Rejuvenation Fund is where the money has been allocated. As the Minister said this morning, that money is being repurposed for the function of the regional jobs and investment authorities.</p> <p>Ms ABIGAIL BOYD: It sounds like we don't know what that money is going to go to. If we've got \$1.2 million in this year, we've heard a lot about, "Yes, we're consulting", "Yes, we're going to do it eventually", and, "No, we don't have any time line to actually statutorily implement this thing." Are we just going to end up with that \$1.2 million still at the end of the budget year?</p> <p>GEORGINA BEATTIE: I think the Minister answered that question this morning. She's very keen to hear from the local communities about how those authorities should work. There was a roundtable held in the Hunter a couple of months ago. She mentioned that there's a session being held in Lithgow in the next week. That is to engage directly with interested stakeholders around how that should work.</p> <p>Ms ABIGAIL BOYD: Is the 1.2 million going towards the cost of the roundtables?</p> <p>GEORGINA BEATTIE: I'd have to take that on notice. The roundtables are being done on a very low budget.</p> <p>Ms ABIGAIL BOYD: Yes, which makes me wonder what the rest of the \$1.2 million is going to be spent on then, if we're not going to have a statutorily established authority of any kind.</p> <p>GEORGINA BEATTIE: Those decisions haven't been made yet.</p>	

ANSWER:

No. The costs of the roundtables are being met through Departmental operational expenditure budget.

Future Jobs and Investment Authorities	
<p>Ms ABIGAIL BOYD: Just again, when we're looking at the Hunter Jobs Alliance talking about 65 million a year being required just for the Hunter to run such an authority—we're talking 266 million was the initial seed funding for the one in La Trobe—and that 5.2 million that's just being redirected from the Royalties for Rejuvenation scheme, it doesn't sound like we have any actual real sort of substance behind this election promise yet, do we?</p> <p>GEORGINA BEATTIE: The consultation will help determine what the authorities will look like. Then the authorities will provide advice and determine what the action should be. There is money available through the Royalties for Rejuvenation Fund. That's \$25 million a year that has been allocated. But, as the Minister outlined this morning, the timing of when some of these coalmines and power stations are closing, it's staggered over the next couple of decades. There is work happening now. But the consultation about setting up the authorities is going to inform how they'll work.</p> <p>Ms ABIGAIL BOYD: With respect, it's not how these authorities are supposed to work. They're supposed to happen well in advance. They should have been put in place 10 or 15 years ago, ideally, so that you can shepherd the industry. Because although we have closures coming at different times within a particular region, obviously there is a need, as people are sort of dropping out of particular jobs and things are changing, to boost those industries. You don't just have a day when coalmines get closed down and you have some new industries just the next day. I think I'm getting a clear picture of what's been done here.</p> <p>GEORGINA BEATTIE: What I would add to that is that the Government is working directly with some of the sites that are looking at closure. So Muswellbrook Coal is in closure. We're working closely with that operation. Mount Arthur mine is scheduled for closure in 2030. We're working closely with that operation.</p> <p>Ms ABIGAIL BOYD: Again, with respect, that's business as usual. What the authority does is actually bring together not just industry and government, but is taking community, First Nations groups, unions, a bunch of others, to actually look at a whole-of-community transition. That's why we need it in the first place. Is there, for example, a plan to put a person in place who is going to oversee this consultation process to make sure it happens within a certain time? Is there any money being spent on actually setting up the transition process at this point?</p> <p>GEORGINA BEATTIE: There are resources within the Department of Regional NSW that are supporting the consultation about the authorities.</p> <p>Ms ABIGAIL BOYD: Is there a time line for that consultation?</p>	

<p>GEORGINA BEATTIE: Well, there's consultation happening in the next week in the Central West, and there was consultation in the Hunter a couple of months ago.</p> <p>Ms ABIGAIL BOYD: In terms of a project management time line, if you were to be taking this seriously, there would be a time line where we say we're going to consult from months X to Y and then we're going to have this put in place and then we're going to have a draft plan. Is there anything like that in place as yet?</p> <p>GEORGINA BEATTIE: I'll have to take that on notice. I'm not directly overseeing that. I'm happy to take that on notice.</p>	
<p>ANSWER:</p> <p>Stakeholder consultation on the authorities commenced with the Cessnock roundtable convened by Minister Houssos on 8 August 2023. A further roundtable was in held in Lithgow on 10 November 2023, with consultations in the North West and Illawarra planned for early 2024. Feedback received through the consultation process will help inform the design of the authorities.</p> <p>A delivery timeframe for the authorities will be confirmed once consultation is complete.</p>	

Mining	
<p>Ms ABIGAIL BOYD: If we're doing that sort of work, if I can try and understand in layman's speak, we're basically working out what resources there are in New South Wales that can be exploited in the future. Does that include coal and gas as well as critical minerals?</p> <p>GEORGINA BEATTIE: No, we don't do any exploration for coal or gas. The focus of the Geological Survey of New South Wales is on what we call group one minerals, largely. We do a little bit looking at some other minerals, but it's not coal and gas focused. Interestingly—</p> <p>Ms ABIGAIL BOYD: But does it include coal and gas? Will it give that information as well?</p> <p>GEORGINA BEATTIE: No, because they're found in different areas. I'm not a geologist, but it's definitely not focused on that and I think quite unrelated. Interestingly though, the data that we do get can provide useful information for water sources, so deep groundwater sources, which can be helpful for uses of the future as well.</p> <p>Ms ABIGAIL BOYD: And who's carrying out that work?</p> <p>GEORGINA BEATTIE: The Geological Survey of New South Wales carries out a lot of that work. They will use expertise as required—for example, if they need any specialist equipment or specialist skills—and then a lot of the data analysis is done within the department.</p> <p>Ms ABIGAIL BOYD: Is there a time line for when that is going to be completed by?</p> <p>GEORGINA BEATTIE: The survey is doing work all the time. There's a range of different programs of work that are underway. In terms of the detailed work that we're doing in the next 12 months, I can take that on notice and provide that.</p>	

ANSWER:

Projects under the Geological Survey include:

	Project Name	Description	Start Date	End Date
1	Future Ready Regions - Discovery of new water resources in western and central NSW	Objective - To identify deep basin aquifers in western NSW	1/07/2022	30/06/2024
2	MinEx CRC Program	Objective - To improve our geological knowledge, drive increased exploration under cover in 3 key areas of NSW.	1/01/2019	30/12/2024
3	Geophysical surveys focussing on critical minerals potential	Objective - To acquire geophysics over areas of NSW prospective for critical minerals.	1/07/2022	31/12/2023

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4	Mine Reuse Project	Objective - Enhanced understanding of the potential of reprocessing tailings and other mine waste to extract critical and other minerals.	1/09/2022	30/03/2024
5	Geothermal Project	Objective - Understanding geothermal potential of NSW.	Commenced FY 22/23	15/12/2023
6	Hydrogen project	Objective - Preliminary investigation into natural hydrogen potential in NSW.	Commenced FY 22/23	30/04/2024
11	Thermal and Tectonic Evolution of the Cobar Basin and Environs	Objective - Understand the tectonic and thermal history of the Cobar Basin and its environs to map the sources, transport, deposition and preservation of metals (Cu, Au, Zn, Ag ,Pb) and mineral systems.	1/07/2023	30/06/2024
12	Critical Minerals Analysis Project stage 2	Objective - Analysis of existing whole rock, mine dump and hand samples to identify presence of Rare Earth Elements and critical minerals not previously identified.	1/07/2023	31/12/2023

Copper	
<p>The Hon. CHRIS RATH: How much of the copper in Australia comes from New South Wales? I assume it's probably the bulk of it.</p> <p>GEORGINA BEATTIE: I would have to take that on notice. There are other jurisdictions that also have a lot of copper, but I'm not sure on that percentage.</p>	
<p>ANSWER:</p> <p>In 2022-23, total Australian mined copper production was 821,000 tonnes and in the same period, total NSW mined copper production was 184,000 tonnes, or 22 per cent of the Australian total.</p> <p>NSW ranks second in Australia for Economic Demonstrated Resources of Copper at 12 Mt copper (Geoscience Australia, 2021).</p>	

Revenue NSW	
<p>The Hon. DAMIEN TUDEHOPE: I'm going back to Revenue. How many payroll tax audits have been carried out in the last financial year?</p> <p>MANDY YOUNG: I'm not sure that I have that on hand. That's one we would have to take on notice.</p>	
<p>ANSWER:</p> <p>Please refer to the response to Supplementary Question 45.</p>	

Revenue NSW	
<p>The Hon. DAMIEN TUDEHOPE: In relation to those audits—you might have to take this on notice as well—how much additional payroll tax has been collected as a result of those audits?</p> <p>MANDY YOUNG: I'll take that on notice as well.</p>	
<p>ANSWER:</p> <p>Please refer to the response to Supplementary Question 45.</p>	

Revenue NSW	
<p>The Hon. DAMIEN TUDEHOPE: I should ask this question, but I know you're not going to answer it. No, I won't ask it. I was going to ask have you discovered, as a result of that, any circumstances where workers have been underpaid?</p> <p>MANDY YOUNG: Again, we'll take that on notice.</p>	
<p>ANSWER:</p> <p>Last financial year 53 audits were completed due to wage underpayment issues.</p>	

Revenue NSW	
<p>The Hon. DAMIEN TUDEHOPE: Have you reported that underpayment to Fair Work Australia?</p> <p>MANDY YOUNG: Again, we'll take that on notice, unless you have any further information, Mr Smythe?</p>	
<p>ANSWER:</p> <p>The payroll tax wage underpayment matters Revenue NSW audited were identified either through a customer voluntary disclosure or media monitoring. Revenue NSW does not conduct employment or industrial relations audits. Revenue NSW liaises with the Fair Work Ombudsman quarterly and they were already aware of the 53 payroll tax businesses we were auditing for wage underpayments. No further reporting was required.</p>	

Budget	
<p>The Hon. CHRIS RATH: When was that communicated to the Treasurer that there was an extra \$17 billion of revenue?</p> <p>LIZ LIVINGSTONE: As I mentioned, we time each round of revenue forecast to inform the budget and the half-year review. It would have been several weeks before the budget was finalised, but not much longer than that. I can't remember the exact date, but I expect it was a date late in August, but we could be more specific on notice about that.</p> <p>The Hon. CHRIS RATH: That would be great. Thank you.</p>	
<p>ANSWER:</p> <p>This question is more appropriately directed to the Treasurer.</p>	

<p>Royalties</p>	
<p>The CHAIR: I'm not quite sure who to direct this to, whether it's Treasury or Revenue. What is the total revenue for the State from non-coal, non-petroleum mining royalties?</p> <p>LIZ LIVINGSTONE: Unless Revenue knows, I think that would be one we could take on notice.</p> <p>The CHAIR: My understanding is that it's in the order of around about \$200 million. Would that be about right?</p> <p>LIZ LIVINGSTONE: I remember that you mentioned that this morning, but I haven't had a chance to verify that at this point.</p> <p>GEORGINA BEATTIE: Excuse me, I have some numbers here, if that's helpful. For gold, silver, lead and zinc, it's \$85 million in royalties for last financial year. An additional 3.9 in royalties was paid for silver, and we have 4.3 million—it's \$85 million I have, sorry, for those three commodities. As I mentioned, there are 15 major metal mines, and it's \$55 million in royalties from copper. I think the 200 that you mentioned earlier, I would have to go and add up the various components, but a combination of the coal—and these are the major contributors to royalties from the metals mines that I've just shared.</p> <p>The CHAIR: If it's \$80 million from the gold, silver, lead and zinc and \$50 million thereabouts from copper—</p> <p>GEORGINA BEATTIE: Eighty-five, yes.</p> <p>The CHAIR: Sorry, \$85 million. Then \$200 million might be a little bit generous.</p> <p>GEORGINA BEATTIE: Possibly, yes. I can provide the details, take that on notice.</p> <p>The CHAIR: If you could take that on notice, that would be very helpful.</p>	
<p>ANSWER:</p> <p>For 2022-23, non-coal and non-petroleum royalties were \$164.7 million.</p>	

<p>Royalties</p>	
<p>MANDY YOUNG: Something that may help to add in terms of the royalties collected from our end— we have \$165.7 million from minerals, more broadly; \$1.8 million from petroleum.</p> <p>The CHAIR: That's great. There's a rate of 4 per cent applied to the value of those various metals and minerals. Is there a uniform equation that's applied to calculate? Is it done on, like, a spot price? How is that calculated?</p> <p>MANDY YOUNG: I'd have to take that one on notice, being a very technical question—unless Mr Smythe has anything to add?</p> <p>CULLEN SMYTHE: We'll take it on notice for all of the permutations. Generally, it's on arms-length market value at the royalty period, right at the time they put the returns in.</p> <p>The CHAIR: Is that just averaged over—is it done annually? Is it quarterly or is it done on a weekly basis?</p> <p>CULLEN SMYTHE: I just need to check on the return period for non-coal related minerals, so we'll take that one on notice.</p>	
<p>ANSWER:</p> <p>The base rate of royalty payable in respect of minerals (other than coal) is 4% of the value of mineral recovered.</p> <p>It is calculated as per Mining Regulation 2016, Clause 73.</p> <p>The equation is applied over an annual period if the amount or royalty is less than \$50,000 and on a quarterly basis if it is over \$50,000. (Mining Regulation 2016, Clause 77)</p>	

<p>Domestic Manufacturing</p>	
<p>The Hon. DAMIEN TUDEHOPE: The Government, of course, has a commitment to deliver value for money and, in fact, has wanted to define "value for money" as including the multiplier effect of delivering domestic manufacturing. That's as you understand it?</p> <p>SONYA CAMPBELL: Indeed, yes.</p> <p>The Hon. DAMIEN TUDEHOPE: Is that in fact a component of potentially any alteration to the procurement framework?</p> <p>SONYA CAMPBELL: I think that's just all policy development, Mr Tudehope, that is underway at the moment.</p> <p>The Hon. CHRIS RATH: Do you have a working definition of "domestic manufacturing"?</p> <p>SONYA CAMPBELL: That's a great question. I'm not sure that we do.</p> <p>The Hon. CHRIS RATH: Maybe you could take it on notice?</p> <p>SONYA CAMPBELL: Yes, I'm happy to take it on notice.</p>	
<p>ANSWER:</p> <p>Please refer to the response to Supplementary Question 71.</p>	

Domestic Manufacturing	
The Hon. CHRIS RATH: What about local content? Is there a working definition of "local content"? SONYA CAMPBELL: I'm happy to take that on notice as well.	
ANSWER: Please refer to the response to Supplementary Question 71.	

Domestic Manufacturing	
The Hon. DAMIEN TUDEHOPE: The Government has an ongoing goal of growing domestic manufacturing. I asked yesterday, and I just want you to confirm this, in relation to growing domestic manufacturing within the Minister's responsibility, is it the case that no modelling has been done in relation to the Federal Government's IR reforms? SONYA CAMPBELL: That's not a question that I am able to answer, Mr Tudehope. The Hon. DAMIEN TUDEHOPE: Ms Livingstone, are you able to answer that? LIZ LIVINGSTONE: No, I'm not. If any modelling has been done, we would need to check with our colleagues and provide any information on notice. The Hon. DAMIEN TUDEHOPE: You can take that on notice.	
ANSWER: No modelling has been done by NSW Treasury in relation to the Commonwealth's IR reforms.	

Recruitment of contractors	
<p>The Hon. DAMIEN TUDEHOPE: In terms of reducing spending on agency hire recruitment of contractors in the general government sector, excluding workers in schools and hospitals, where you want to make a reduction of 25 per cent—you're aware of that?</p> <p>LIZ LIVINGSTONE: That's right. That was the intent of the election commitment.</p> <p>The Hon. DAMIEN TUDEHOPE: That's the goal which has been set. Are you able to tell us what the baseline is for that 25 per cent reduction?</p> <p>LIZ LIVINGSTONE: I could take the detailed answer on notice, but obviously the 400-plus has been calculated from that baseline, so it was calculated on agencies' budgeted forecasts. It excluded the non-general government sector agencies. It excludes capital program expenditure and excludes expenditure for frontline roles. It's 25 per cent of that remaining portion of expenditure.</p> <p>The Hon. DAMIEN TUDEHOPE: But you've actually given me the baseline figure—</p> <p>LIZ LIVINGSTONE: Yes, which we could probably backcast if we all had calculators now, but—</p> <p>The Hon. DAMIEN TUDEHOPE: No, but for assessing whether you've actually achieved the 400—</p> <p>LIZ LIVINGSTONE: But the achievement of the—</p> <p>The Hon. DAMIEN TUDEHOPE: Over a period of time.</p> <p>LIZ LIVINGSTONE: Yes, will be monitored over a period of time.</p> <p>The Hon. DAMIEN TUDEHOPE: And there is a reporting process—</p> <p>LIZ LIVINGSTONE: That's right.</p> <p>The Hon. DAMIEN TUDEHOPE: —in place quarterly. I think that was the information. The policy which was submitted to the Parliamentary Budget Office called for implementation by 1 July. That wasn't implemented, was it?</p> <p>LIZ LIVINGSTONE: The Parliamentary Budget Office has to make a range of assumptions. Obviously, they are doing their work before an election occurs and they don't know when the timing of the budget might be, but it's quite usual in an election year that the timing of the budget is delayed. Hence, this budget was handed down in September. I can clarify, but most of the savings were still applied for this financial year. I'll have to check whether they commenced on 1 July or commenced just post the budget, at the start of October, but the Parliamentary Budget Office has to make assumptions to be able to do its calculations and it wouldn't have known the timing of the budget being handed down.</p>	

ANSWER:

The 25 per cent reduction to agency labour hire was calculated against actual budget forecasts, and applied to only General Government Sector agencies, non-frontline recurrent expenditure forecasts for labour hire.

Recruitment of contractors	
<p>The Hon. DAMIEN TUDEHOPE: Are you aware of what savings allocations have been made to the Education portfolio?</p> <p>LIZ LIVINGSTONE: The Education portfolio would have been treated the same as others, with those exclusions I mentioned, so it would have excluded expenditure for frontline roles, any capital program expenditure and so forth.</p> <p>The Hon. DAMIEN TUDEHOPE: I understand. On notice, though, can you provide the portfolio allocations for savings on labour hire?</p> <p>LIZ LIVINGSTONE: We'll have to check.</p> <p>The Hon. DAMIEN TUDEHOPE: If you can—</p> <p>LIZ LIVINGSTONE: We'll have a look to see what we can provide.</p>	
<p>ANSWER:</p> <p>The savings allocations to agencies are included in their budgets.</p>	