

PORTFOLIO COMMITTEE NO. 3 – EDUCATION

Thursday, 31 August 2017

Examination of proposed expenditure for the portfolio area

SKILLS, REGIONAL NEW SOUTH WALES AND SMALL BUSINESS

UNCORRECTED PROOF

The Committee met at 4.00 p.m.

MEMBERS

The Hon. L. Amato (Chair)

Mr J. Buckingham

The Hon. J. Graham

The Hon. N. Maclaren-Jones

The Hon. M. Taylor

Reverend the Hon. F. Nile

The Hon. M. Veitch

PRESENT

The Hon. John Barilaro, [*Deputy Premier, Minister for Regional New South Wales, Minister for Skills, and Minister for Small Business*]

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**

The CHAIR: Welcome to the public hearing for the inquiry into the Budget Estimates 2017-2018. Before I commence, I would like to acknowledge the Gadigal people who are the traditional custodians of this land. I would also like to pay respect to the elders past and present of the Eora nation and extend our respect to other Aborigines present. I welcome Deputy Premier Barilaro and accompanying officials to this hearing.

Today the Committee will examine the proposed expenditure for the portfolios of Skills, Regional New South Wales and Small Business. Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or certain documents to hand. In these circumstances, witnesses are advised they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Deputy Premier, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone please turn their mobile phones to silent for the duration of the hearing? All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Deputy Premier, I remind you that you do not need to be sworn as you have already sworn an oath to office as a member of the Parliament.

ZOE DE SARAM, Deputy Secretary, Skills and Economic Development, Department of Industry, affirmed and examined

SIMON SMITH, Secretary, Department of Industry, affirmed and examined

BLAIR COMLEY, Secretary, Department of Premier and Cabinet, affirmed and examined

GARY BARNES, Deputy Secretary, Regional New South Wales, Department of Premier and Cabinet, sworn and examined

ROBYN HOBBS, New South Wales Small Business Commissioner, sworn and examined

The CHAIR: I declare the proposed expenditure for the portfolios of Skills, Regional New South Wales and Small Business open for examination. The questioning of the portfolios of Skills, Regional New South Wales and Small Business will run from 4.00 p.m. to 5.20 p.m. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. JOHN GRAHAM: Deputy Premier, I promise I will not dwell on this point but I did want to congratulate you. Last year my colleague Daniel Mookhey asked you quite a few questions about your quest to become the fourth most visible member of the Government. I think we would all agree that you have exceeded expectations. Since you are doing so well on the publicity front, I thought I would keep my questions to the policy front today. You were very up-front last year at estimates, I thought to your credit, about the 2015 TAFE enrolment figures. You described it as a terrible year for enrolments last year. The budget papers set out this year's enrolments. You must be pleased that they have increased.

Mr JOHN BARILARO: Thank you for your commentary and your question. There was no hiding last year coming to budget estimates and to this Committee that the disruption we saw in vocational education had impacted on enrolments, not just in the public provider of TAFE but even with the private providers in the community colleges. We take responsibility, as I said at the time, for some of the things that were happening within TAFE and vocational education and training [VET] and the policy settings of Smart and Skilled, which, being a new policy, impacted on the sector understanding the opportunity. There was also the VET FEE-HELP federally. We are not going to dwell on that; that was an issue. What we are still seeing is the reputational damage to vocational education overall. But with the policy change and the investment that we made and, as I kept saying, if you allowed us to pursue over the next 12 months the policy changes—working with the new managing director, TAFE NSW, the Teachers Federation, the teachers and staff—we would hope to turn it around. As you can see, there are in excess of 120,000-odd extra students in VET and in the TAFE system here in New South Wales.

The Hon. JOHN GRAHAM: In relation to the budget figures of total enrolments, can you give us a breakdown on the new enrolments?

Mr JOHN BARILARO: There is no question in the new enrolments area, where we have a focus on our fee-free scholarships, we are almost at the 50,000 mark of students.

The Hon. JOHN GRAHAM: Are new enrolments going up or down?

Mr JOHN BARILARO: New enrolments are going up. But it is a mix of qualification—

The Hon. JOHN GRAHAM: Can you give us a breakdown of enrolments in the biggest region in Western Sydney?

Mr JOHN BARILARO: In relation to TAFE?

The Hon. JOHN GRAHAM: Yes.

Mr JOHN BARILARO: If you want that detail, I cannot give you that answer.

The Hon. JOHN GRAHAM: I am happy for you to take it on notice.

Mr JOHN BARILARO: No, I cannot take it on notice.

The Hon. JOHN GRAHAM: Do you have a feel for whether they are going up or down?

Mr JOHN BARILARO: I need to clarify something. I am the Minister for Skills, responsible for the policy settings for the Skills and VET budget in New South Wales. The Assistant Minister for Skills, Adam Marshall—

The Hon. JOHN GRAHAM: And the Deputy Premier.

Mr JOHN BARILARO: No, the Assistant Minister for Skills is the Minister responsible for TAFE. If you are wanting more detailed operational questions answered, you will have to take these questions to the Minister.

The Hon. JOHN GRAHAM: You are the Minister for Skills. I just want to ask you in this Skills area are enrolments in TAFE in Western Sydney going up or down? I am happy to deal with the detail later with the Assistant Minister, but are enrolments in Western Sydney going up or down?

Mr JOHN BARILARO: Across the State we are seeing enrolments going up, there is no question. That is why we have 120,000 extra students. I would assume that in Western Sydney we are seeing more enrolments, but if you want to break it down campus by campus I could not give you that detail.

The Hon. JOHN GRAHAM: Yes, sure.

Mr JOHN BARILARO: Again, that could be a question on notice. I do want to stress the point that TAFE is the responsibility of Mr Marshall.

The Hon. JOHN GRAHAM: But you are the Minister for Skills.

Mr JOHN BARILARO: There is a difference being the Minister for Skills who sets the policy and the budgets in New South Wales for Skills in vocational education because there is an issue around purchaser and provider. TAFE is a purchaser of programs from the New South Wales Government, like the private providers, like the colleges. There has to be a distinct line. I want to make that absolutely clear.

The Hon. JOHN GRAHAM: I am asking about the budget estimates, the figures that we have already started talking about. Do you think the rules have been changed about how enrolments are being counted from last year?

Mr JOHN BARILARO: We had the issue with enrolments where previously, when we were looking at enrolments in TAFE, we were counting not the student but the number of enrolments. One student could have registered for a qualification, then registered for some tutorial support and other support, and we counted that at that time as one student, three enrolments. What we have decided to do is count student enrolments. And the way the enrolments are now is a mixed bag. There are those enrolling for qualifications, trades and apprentices; there are traineeships; and there is also skilling, upskill, skill sets, where we are seeing the largest growth.

The Hon. JOHN GRAHAM: Given you have changed the rule, do you think there is a risk that those 2016 figures could have been overstated?

Mr JOHN BARILARO: No, not at all. If anything, if you want to compare it to the 2015 figures, the 2014, 2013 and 2012 figures could have been overstated because one student could have had three enrolments.

The Hon. JOHN GRAHAM: Are you happy to vouch for those budget figures? There is not a risk that they could have been overstated?

Mr JOHN BARILARO: No.

The Hon. JOHN GRAHAM: As you have changed the rules?

Mr JOHN BARILARO: They are not overstated because that was the way we at the time and what we were doing in TAFE and right across Skills is how we acknowledged enrolments. Since then we have changed the way we acknowledge enrolments based on the student. If you applied it the other way around, I would argue that the 2016 figures could be even higher if we did it according to the old formula. But we wanted to get a genuine picture of the number of people, students, who are in VET in New South Wales. I am comfortable with the figures.

The Hon. JOHN GRAHAM: Minister, I am happy to give you a genuine picture. I refer to an internal TAFE document entitled "TAFE NSW Enrolments, Preliminary Counts 2016-2017 year to date". It refers to the year-on-year figures from 17 July last year to 16 July this year, and it shows that total enrolments year on year are down 11.2 per cent; new enrolments are down 14.6 per cent; new enrolments in Western Sydney are down 27.5 per cent; and new enrolments for diplomas and advanced diplomas are crashing down 45.8 per cent. Why does the budget show enrolments going up but this internal document shows enrolments in freefall?

Mr JOHN BARILARO: First, I do not know of the internal document you are referring to. I again point out that questions about TAFE should be directed to the Minister responsible for TAFE—that is, Minister Marshall.

The Hon. JOHN GRAHAM: I will certainly be questioning Minister Marshall as well, but you are the Minister for Skills. This internal document also states that students are counted multiple times if they do one course but attend at a couple of TAFE campuses, and if they enrol in just one unit, and if an enrolment is incomplete or relates to community service obligations it will never be converted to actual enrolment. Why are these figures being fiddled?

Mr JOHN BARILARO: First, you have made an accusation about the professional staff of TAFE NSW; you are saying that they are somehow fiddling the figures.

The Hon. JOHN GRAHAM: No.

Mr JOHN BARILARO: That is what you have just claimed. Secondly, without referring to the document you have—which I have not seen—I cannot answer that question. Furthermore, and as I will continue to say, questions about TAFE should be directed to the Minister responsible for TAFE.

The Hon. JOHN GRAHAM: I will direct them to him. However, as the Minister for Skills and as the Deputy Premier, you might want to take an interest in these issues. This document also confirms that the rules about how these enrolments are calculated have been changed from last year.

Mr JOHN BARILARO: Can I get copy of the document?

The Hon. JOHN GRAHAM: Certainly, I am happy to table it at the end of this hearing. The document also admits that 2016 enrolments are potentially overstated. This is an internal TAFE document directly contradicting the evidence you have given to the Committee.

Mr JOHN BARILARO: Again, I have not seen the document. I want to see whether it is a TAFE document, a press release or a document created by someone else. The enrolment data—backed up by National Centre for Vocational Education Research [NCVER], not only TAFE or the Government—clearly demonstrates that New South Wales is bucking the national trend in vocational education and training.

The Hon. JOHN GRAHAM: I have the TAFE figures. What confidence can we have that you are not fiddling them? What confidence can we have that the budget figures are accurate?

Mr JOHN BARILARO: Absolute confidence.

The Hon. NATASHA MACLAREN-JONES: Point of order: Members are debating rather than asking questions and allowing the Minister to answer them.

Reverend the Hon. FRED NILE: To the point of order: Can a copy of the document be given to the Minister? The member can keep the original.

The CHAIR: Yes.

The Hon. JOHN GRAHAM: I am happy to provide the Minister with a copy.

The Hon. MICK VEITCH: To the point of order: During previous budget estimates hearings the Chair has ruled that the person asking the question can determine when they have received the answer. It is not up to anyone else to determine when the question has been answered. There is no point of order. The member is trying to save the Minister when he does not need saving.

The Hon. JOHN GRAHAM: I am happy to move on. Can the Minister tell the Committee how he is repositioning vocational education and training in New South Wales?

Mr JOHN BARILARO: We are repositioning vocational education and training by partnering with industry through our compact agreements involving eight industry groups. They include the Master Builders Association, the Housing Industry Association, the NSW Business Chamber, and the Motor Traders' Association of NSW—just to name a few. Of course, we are also embarking on a campaign and working with a number of stakeholder groups to ensure we are promoting vocational education and training opportunities and debunking the myths.

The Hon. JOHN GRAHAM: Can you tell the Committee about contract No. DICE 169512, which is a \$1.242 million contract with Universal McCann Sydney for a communications and creative strategy entitled "Repositioning of vocational education and training (VET) in NSW"?

Mr JOHN BARILARO: I cannot, but I will refer the question to the Secretary.

Mr SMITH: I am not familiar with the contract number, but I know that we have spent money in that order to prepare for the campaign to rebadge vocational education and training and to highlight the opportunity it represents for young people.

The Hon. JOHN GRAHAM: Minister, are you not at it again on the publicity front? Would you not be better fixing TAFE rather than launching a \$1 million public relations campaign to reposition vocational education and training in New South Wales?

Mr JOHN BARILARO: That question makes absolutely no sense. The best way to fix TAFE is to get more enrolments. TAFE is the largest public training provider in New South Wales and the country. Out of a \$2 billion budget, it picks up more than \$1.7 billion, including \$131 million in—

The Hon. JOHN GRAHAM: It appears that enrolments are going through the floor—

Mr JOHN BARILARO: No, they are not.

The Hon. JOHN GRAHAM: The figures are being fiddled, you are launching a \$1 million advertising campaign to reposition vocational education and training, and you are trying to shuffle yourself into the office junior position.

Mr JOHN BARILARO: Absolutely not.

The Hon. JOHN GRAHAM: What do you have to say about that?

Mr JOHN BARILARO: Over the past five years, vocational education and training has been impacted by government policy, including VET FEE-HELP, which has caused reputational damage. We are debunking the myths and the legacy—

The Hon. JOHN GRAHAM: You have admitted today that you have changed the way enrolments are counted. You have also admitted that the rules have been changed. You have admitted there is a \$1 million advertising campaign designed to reposition vocational education and training. You have tried to divert us to a junior Minister, and we will question him. Enrolments are in freefall—

Mr JOHN BARILARO: No, they are not.

The Hon. JOHN GRAHAM: —according to this internal TAFE document.

Mr JOHN BARILARO: You keep referring to that document.

The Hon. JOHN GRAHAM: And you now have it.

Mr JOHN BARILARO: But we cannot verify it at the moment. We rely on the NCVER data that I receive as the Minister for Skills through Training NSW. There is a contract obligation to fund students under Smart and Skilled. New South Wales is clearly growing enrolments across the vocational education and training sector. We will continue to campaign and to partner with stakeholders in industry to promote the opportunities offered by vocational education. We will debunk the myths and work on the legacy issues.

For decades we have been telling kids to go to university rather than TAFE. I make no apologies for addressing that issue. Vocational education and training and TAFE are genuine pathways. TAFE receives 77 per cent of the funding in my Skills portfolio budget. We are backing TAFE's reforms. The honourable member should remember that Smart and Skilled is about the funding following the student. Therefore, the more enrolments TAFE attracts, the more funding it will get. There are no targets for contestability or anything like that. This is about empowering young people to get into vocational education and training early, and that includes TAFE.

The Hon. MICK VEITCH: Have you met with Minister Blair or his officers to discuss the *Four Corners* program and the allegations of industrial-scale water theft?

Mr JOHN BARILARO: The Murray-Darling Basin Plan and water theft were highlighted on *Four Corners*. The issue is under investigation and it is subject to a number of reviews and inquiries. Minister Blair is one of my colleagues and my Deputy Leader, and of course I have spoken with him about this issue. I have also ensured that the investigations can continue and are continuing. We will ensure there is transparency, and that is why we appointed—

The Hon. MICK VEITCH: I would like to focus on transparency. Were any of your staff present when you met with Minister Blair to discuss the *Four Corners* allegations?

Mr JOHN BARILARO: You are suggesting that they were official meetings. I often speak to my colleague Niall Blair on many issues.

The Hon. MICK VEITCH: In the presence of staff?

Mr JOHN BARILARO: In relation to a meeting specifically about the Murray-Darling Basin Plan? I meet with him regularly to discuss government issues, sometimes with and sometimes without staff present.

The Hon. MICK VEITCH: I gather that. The organisational chart indicates that Minister Blair is the cluster lead. Surely that would make him your boss and, given that, you would have to report to him.

Mr JOHN BARILARO: No. You probably have not caught up with the Cabinet reshuffle's impacts on the machinery of government. I now sit as Deputy Premier in the Department of Premier and Cabinet with a focus on regional New South Wales.

The Hon. MICK VEITCH: I am fully aware of that.

Mr JOHN BARILARO: My Skills portfolio sits within that department and my Industry portfolio still sits within the Department of Industry. The regional development team has been transferred to the Department of Premier and Cabinet. Does that make him my boss? Minister Blair is the cluster lead for industry.

The Hon. MICK VEITCH: But a part of your responsibility is in the industry cluster.

Mr JOHN BARILARO: Absolutely.

The Hon. MICK VEITCH: Which means he is in charge of some of your responsibilities.

Mr SMITH: I will clarify that. The role of a cluster lead Minister is specific in relation to the management of the budget within the cluster. It does not mean that one Minister is the boss of the other; it means that the cluster lead Minister has certain responsibilities in relation to expenditure.

The Hon. MICK VEITCH: I will be questioning Minister Blair tomorrow and I will have to work out who is in charge. I refer to the meetings with Minister Blair specifically about the *Four Corners* program and whether staff were present. Was Mr Harris, who works in your office, present at any of those meetings?

Mr JOHN BARILARO: You are using this hearing to attack a member of my staff.

The Hon. MICK VEITCH: I am not attacking him; I simply asked whether he was present.

Mr JOHN BARILARO: You are making an attack. Tom Harris is a receptionist on the front desk. The closest he gets to water is cleaning out the fish tank. The reality is that you are trying to make assumptions that somehow Tom Harris has some say in policy of the Government with me or Minister Blair. I think that is an inappropriate—

The Hon. MICK VEITCH: I am only asking if he was present.

Mr JOHN BARILARO: Absolutely not, because he is the receptionist.

The Hon. MICK VEITCH: So he was not present—good.

Mr JOHN BARILARO: He is the receptionist.

The Hon. MICK VEITCH: Deputy Premier, like me, you do lots of travelling in regional New South Wales, particularly in the far west of the State. At any stage prior to the *Four Corners* program has any individual raised with you the allegations that there may be industrial scale water theft in the Darling River?

Mr JOHN BARILARO: Not to my recollection. No.

The Hon. MICK VEITCH: Prior to that, no-one had raised those allegations with you?

Mr JOHN BARILARO: Not that I am aware of.

The Hon. MICK VEITCH: When the *Four Corners* program ran, at what point did you contact Minister Blair to discuss the quite serious allegations that were made in that program?

Mr JOHN BARILARO: We probably spoke the next day in relation to that program.

The Hon. MICK VEITCH: You are in regular contact, obviously.

Mr JOHN BARILARO: I speak to Minister Blair every day. He is my deputy; he is my colleague.

The Hon. MICK VEITCH: But he is the cluster lead. That is okay. With regard to the Matthews report, which was meant to be released today but of course is now, as we have discovered, deferred a week, at what point were you made aware that it would not be available today?

Mr JOHN BARILARO: This morning.

The Hon. MICK VEITCH: Not by a press release, I hope.

Mr JOHN BARILARO: No. I found out this morning from Minister Blair.

The Hon. MICK VEITCH: Will that report be provided to you and then the public after Minister Blair has looked at it? What is the process for you as the Deputy Premier?

Mr JOHN BARILARO: I would assume—and I will refer to the secretary shortly—once the report is received by Minister Blair, who is the responsible Minister, that he would share that with the Deputy Premier and the Premier in relation to releasing the report. I will make this clear: We are absolutely committed to finalising the report. Mr Matthews has sought the extension. He sought the extension—it was not any direction by any government or Minister—to get the report right. I understand the report will now be completed by the end of next week and then it will go public post that.

Mr JEREMY BUCKINGHAM: How convenient!

The Hon. MICK VEITCH: With regard to employment in your office, your staff obviously are employed by the Department of Premier and Cabinet [DPC], essentially?

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: And they go through a recruitment process—?

Mr COMLEY: Just to clarify, members of Parliament staff are employed under the Members of Parliament Staff Act, which is separate from the Public Service Act.

Reverend the Hon. FRED NILE: That is correct.

Mr COMLEY: The employment decisions are made by the Minister in a Minister's office.

The Hon. MICK VEITCH: Okay. I've got that.

Mr COMLEY: We support them on an administrative basis. If you look at the budget papers, the expenditure of Ministers' offices is included within the DPC budget allocation, but from a staffing and hiring perspective, that is a matter for Ministers as to the staff that they hire.

The Hon. MICK VEITCH: Thank you. With regard to the Matthews report, I understand and appreciate that it is going to come out next week. Are there actions the Government has taken already prior to that report being prepared?

Mr JOHN BARILARO: I will refer to the secretary, as he is the Secretary of Industry.

Mr SMITH: I have not read the report. It is going to be provided next Friday—not tomorrow, but the Friday following. Obviously I am not prejudging what the findings of the report will be, but I have taken action already to move out the senior officer who was named in the allegations to remove him from the business of conduct of water for the duration of the investigation. We are making other preparations for change to address what matters may come out of the report.

Mr JEREMY BUCKINGHAM: Deputy Premier, have you ever met with Mr Huang Xiangmo in the presence of Mr Andrew Stoner?

Mr JOHN BARILARO: Definitely. I definitely would have met with them at a number of functions.

Mr JEREMY BUCKINGHAM: Only at functions?

Mr JOHN BARILARO: I will have to go back to my diary.

Mr SMITH: The diary is public.

Mr JOHN BARILARO: My diary is public. If that is the case—

Mr JEREMY BUCKINGHAM: Are all of your meetings with Mr Xiangmo listed in your diary?

Mr JOHN BARILARO: I would expect so.

Mr JEREMY BUCKINGHAM: What do you mean you would expect so?

Mr JOHN BARILARO: I would understand that my diary would reflect the actions and the activities of my role.

Mr JEREMY BUCKINGHAM: You can give an assurance to this Committee that you have never met with Mr Xiangmo and Mr Stoner and not had it listed in your diary?

Mr JOHN BARILARO: My diary is public and I rely on my staff to update that diary. I assume that everything is in order.

Mr COMLEY: I might just comment that there are diary disclosure rules that my department helps administer. I do not have the guidelines in front of me, but there is a set of guidelines related to which are disclosed. Generally it is scheduled meetings. For example, I am not saying this is the case, but if someone scheduled a phone call with someone, that would be a diary disclosure event. But if someone just happened to ring out of the blue, informally, that would not be captured necessarily in the diary disclosure.

Mr JEREMY BUCKINGHAM: f Andrew Stoner rang you and said, "Hey, I just want to have a chat and a catch-up. How are things going?" you do not have to declare that as an official meeting?

Mr JOHN BARILARO: I have caught up with Andrew Stoner on a number of occasions. He is still a member of the National Party.

Mr JEREMY BUCKINGHAM: Is he? Has he ever talked about Mr Xiangmo at those meetings?

Mr JOHN BARILARO: He has asked me in the past to meet with Mr Xiangmo. He has made contact with my office and we have arranged those meetings.

Mr JEREMY BUCKINGHAM: Just informally like that?

Mr JOHN BARILARO: Well, no. Mr Stoner writes to the office—he refers it to the office.

Mr JEREMY BUCKINGHAM: He does not just call?

Mr JOHN BARILARO: Mr Stoner talks to me often. He was the leader of the party. I often talk to many of my former leaders, former MPs and former Ministers for advice.

Mr JEREMY BUCKINGHAM: Mr David Harris is a financial donor to the National Party, is he not?

Mr JOHN BARILARO: All donations are disclosed. Understandably he is possibly. I think there has been a claim already that he has made donations to the party.

Mr JEREMY BUCKINGHAM: When were you made aware of those claims that he was a donor?

Mr JOHN BARILARO: After the *Four Corners* story broke and the issue around the Murray-Darling Basin and water theft was an issue.

Mr JEREMY BUCKINGHAM: And who told you he was a donor?

Mr JOHN BARILARO: The head office—our executive. The National Party.

Mr JEREMY BUCKINGHAM: And did you request that information? How did they tell you that?

Mr JOHN BARILARO: I am sure my office would have asked the head office for all relevant information to the *Four Corners* story.

Mr JEREMY BUCKINGHAM: Whether or not he was a political donor.

Mr JOHN BARILARO: Absolutely. If they were the accusations made, we would have pursued that, as the Deputy Premier. All disclosures and donations are handled by, of course, the National Party.

Mr JEREMY BUCKINGHAM: Have you ever met with Mr David Harris or had a conversation with him?

Mr JOHN BARILARO: I have met with many on my travels. We have made some announcements in Moree in relation to cotton and the investment by the New South Wales Government funding skills. I am sure I have met Mr Harris.

Mr JEREMY BUCKINGHAM: You have met Mr Harris in Moree?

Mr JOHN BARILARO: I am not sure if it was Mr David Harris—I am sure I have met members of the Harris family. As for Mr David Harris himself, I am not sure if you are asking—

Mr JEREMY BUCKINGHAM: You are sure you have met him?

Mr JOHN BARILARO: I am not sure if I have, that is what I am saying.

Mr JEREMY BUCKINGHAM: You cannot recall meeting this man?

Mr JOHN BARILARO: Mr David Harris?

Mr JEREMY BUCKINGHAM: Yes.

Mr JOHN BARILARO: As I have said, I have travelled to Moree on a number of occasions. I am sure that I have come across Mr Harris, but I have never spoken water or anything, if that is what you are trying to infer.

Mr JEREMY BUCKINGHAM: I am not trying to infer anything. You are saying you went to Moree and met with Mr David Harris—

Mr JOHN BARILARO: To make an announcement.

Mr JEREMY BUCKINGHAM: So you have now met him? You met him in Moree.

Mr JOHN BARILARO: No. I went to Moree to make an announcement in relation to the skills funding that we are partnering with the grain and cotton industry of \$14.1 million—

Mr JEREMY BUCKINGHAM: And he was there.

Mr JOHN BARILARO: Yes. I assume he was.

Mr JEREMY BUCKINGHAM: And you met him there?

Mr JOHN BARILARO: Well, I think I have. I am not 100 per cent—

Mr JEREMY BUCKINGHAM: So you met and you talked cotton with Mr David Harris there?

Mr JOHN BARILARO: No. I talked cotton with the cotton industry.

Mr JEREMY BUCKINGHAM: So you did not talk about water with a cotton grower in Moree?

Mr JOHN BARILARO: No. We actually were announcing our skills investment—a \$14.1 million investment that is supporting both the cotton and grain industry in relation to upskilling.

Mr JEREMY BUCKINGHAM: When was this? When did you meet Mr David Harris in Moree?

Mr JOHN BARILARO: This would have been earlier this year when we made the announcement. Again it would be in the diary that I went to Moree for an announcement on skills.

Mr JEREMY BUCKINGHAM: Interesting—thanks. Do you accept the scientific consensus that the climate is warming rapidly and that humans are the cause of this?

Mr JOHN BARILARO: My view in relation to climate change is that it has been changing for a very long time and our focus should be on reducing carbon. There is no question about that.

Mr JEREMY BUCKINGHAM: Why would we be reducing carbon?

Mr JOHN BARILARO: Because we know the impact it has on the environment.

Mr JEREMY BUCKINGHAM: On the climate?

Mr JOHN BARILARO: On the climate, of course.

Mr JEREMY BUCKINGHAM: So you accept the science of anthropogenic climate change?

Mr JOHN BARILARO: Absolutely. We are all kidding ourselves if we think that man does not impact on the climate—it is the degree of that impact.

Mr JEREMY BUCKINGHAM: Okay. And do you think that there will be a significant impact from climate change, especially on regional New South Wales?

Mr JOHN BARILARO: My view is that again we have to do whatever we can to minimise carbon output and minimise the impact of man on climate. As a government, you can see that through our activities. There is a great story today talking about the fact that there is no other greater State investing more in renewables than New South Wales at the moment. We have to do everything we can to make sure we do not impact on the climate.

Mr JEREMY BUCKINGHAM: I do not think that is what it said.

Mr JOHN BARILARO: Pardon?

Mr JEREMY BUCKINGHAM: In terms of regional development in New South Wales do you want to see more coalmines go ahead in the State?

Mr JOHN BARILARO: No. What I want to see is a balance between mining and a coexistence with agriculture—the vineyards, equine and everything else that we have.

Mr JEREMY BUCKINGHAM: Excellent. What is your view on the Bylong, Shenhua, Berrima, Wallarah 2, and Vickery coal projects?

Mr JOHN BARILARO: Again, there are processes in place. They are all applications. Remember that some of those projects have been inherited by this Government from the former government. They run through a process of planning and environment. They have to go through the whole process and the Government will make determinations based on that information. Everybody is entitled to put up a proposal if it is zoned that way. That is the case, and the Government has been responding. Our recent buyback of 51.4 per cent of the Shenhua site is a reflection of this Government's commitment to making sure that we find a balance.

Mr JEREMY BUCKINGHAM: That considered, would you be prepared to accept that if Shenhua goes through the necessary legislative procedures and planning regime and gets an approval, that area should be mined?

Mr JOHN BARILARO: That, again, is a question that is hard to answer because of the first stage. They still have to go through that process. That is a number of years away.

Mr JEREMY BUCKINGHAM: Are you aware that they have an approval? Are you unaware that they have an approval to begin mining?

Mr JOHN BARILARO: They have a process to go through.

Mr JEREMY BUCKINGHAM: They have been through it.

Mr JOHN BARILARO: There is something like 100 other conditions attached to it.

Mr JEREMY BUCKINGHAM: No, they have an approval. They can start mining tomorrow.

Mr JOHN BARILARO: I will refer you to the Secretary.

Mr JEREMY BUCKINGHAM: It is really interesting that you are unaware that they have been through the process and have an approval.

Mr JOHN BARILARO: They cannot start mining yet.

Mr JEREMY BUCKINGHAM: I know that they need to apply for a mining licence.

Mr JOHN BARILARO: I am answering that they cannot start mining.

Mr JEREMY BUCKINGHAM: There is only one issue for them to deal with, basically—an application for a mining licence. If they get that mining licence—

Mr JOHN BARILARO: That is incorrect. Let the Secretary answer your question.

Mr SMITH: The company still needs to gain approval for a number of operational plans from the Commonwealth regulator and also from the State.

Mr JEREMY BUCKINGHAM: Subject to them getting those operational plans—they have the environmental impact statement [EIS] and the major development approval—would you be comfortable with them mining at the Watermark site?

Mr JOHN BARILARO: I am not going to make a comment on something that you are making an assumption about. I do not know what the process is. The reality is that if it does not get the process we do not want to see mining. The other part of all this—

Mr JEREMY BUCKINGHAM: You do not know what the process is?

Mr JOHN BARILARO: Like many I have concerns around the impacts of mining on agriculture and on aquifers—absolutely—if that is the question.

Mr JEREMY BUCKINGHAM: How many farm visits have you been on as Deputy Premier?

Mr JOHN BARILARO: Goodness! I continue to travel the State. During the whole winter recess I travelled the Far West, Central West, and up to the North Coast. My diary will show you clearly where I have been.

Mr JEREMY BUCKINGHAM: I have had a look.

Mr JOHN BARILARO: I have travelled thousands and thousands of kilometres.

Mr JEREMY BUCKINGHAM: How many farm enterprises have you visited?

Mr JOHN BARILARO: I would not know. I am a local member—the member for Monaro. I visit farms often. I visit farms across the State.

Mr JEREMY BUCKINGHAM: But as Deputy Premier, how many have you visited?

Mr JOHN BARILARO: I cannot answer the question about how many farms because I visit regions—

Mr JEREMY BUCKINGHAM: Have a guess. Would it be five, 10 or 100?

Mr JOHN BARILARO: I am not going to guess.

Mr JEREMY BUCKINGHAM: How many have you visited with the Premier?

Mr JOHN BARILARO: I cannot think of one that we have visited together.

Mr JEREMY BUCKINGHAM: Are you aware that the Premier has never visited a farm?

Mr JOHN BARILARO: I am not aware of her diary.

Mr JEREMY BUCKINGHAM: You are not aware of her diary, but as the leader of The Nationals and as the Deputy Premier, are you concerned that she is uninterested in agriculture?

Mr JOHN BARILARO: She is not. If you have a look at it, the Premier has travelled out to regional New South Wales on all regional issues, not just agriculture. If you look at her diary you will see that she has been down south, in the Riverina, the Murray and up in Tamworth.

Mr JEREMY BUCKINGHAM: Has she visited a farm?

Mr JOHN BARILARO: I do not know what she does on her visits. Her visits are fantastic visits representing regional New South Wales.

Mr JEREMY BUCKINGHAM: You are representing small business, agriculture and regional New South Wales—

Mr JOHN BARILARO: Absolutely.

Mr JEREMY BUCKINGHAM: —and you do not know whether or not the Premier has visited a farm. Do you care?

Mr JOHN BARILARO: I am the Minister for Regional New South Wales. We have the Minister for Primary Industries, whose role is to work with his stakeholder groups—

Mr JEREMY BUCKINGHAM: Surely the Premier has to show leadership.

The CHAIR: The member's time has expired.

Reverend the Hon. FRED NILE: I have some questions on small business. What has been the cost impact to small business in the Sydney CBD area as a result of the continued works in and around George Street?

Mr JOHN BARILARO: Thank you. There is no question that we are seeing some impacts on those small businesses on George Street. I have the Small Business Commissioner here, and I will ask her to talk to this in a moment in relation to the impacts. You would have seen recently that the Minister for Transport has announced a process under which we are going to deal with some of those small businesses and the impacts due to the delays, where they may receive some rent assistance in relation to the impact of the George Street light rail project.

There is a process to that. We have engaged Ernst & Young. We have also engaged Tim Spencer to oversee the process. We are working with businesses on a case-by-case basis to put forward three years of their financials so that we can determine the impact that they have had. Then we will respond within seven days. I will ask the Small Business Commissioner to talk further about the work that her office has done with her advisers on the ground.

Reverend the Hon. FRED NILE: Yes, the consultation.

Ms HOBBS: We have been working with the small businesses for about 30 months—in fact all the businesses along the 31 construction zones. The construction started in October 2015, and we worked well in advance of that. When you have a major infrastructure project anything along the route will be disrupted—not

just the businesses but the pedestrian flow and everything, including the transport, that goes with it. Knowing that, we looked at the 31 zones from Sydney city out to Randwick and Kensington. We have worked solidly with those businesses there. Things have included specialist business advisers to help businesses through the change. We have had business advisers from different cultural backgrounds—such as Mandarin, Cantonese and Vietnamese—particularly to deal with the businesses around the Haymarket areas. The Deputy Premier and I have done street walks to meet the businesses. We have conducted forums. Businesses have my business card and they can contact me.

We have also worked with businesses who have, perhaps, got into distress. We can assist those businesses if they are falling behind in their rent. With respect to supplier payments maybe they have not had enough cash flow to pay the bills. Our mediation and dispute resolution unit works very solidly with the landlords to assist businesses in getting a deferral payment plan. So we are active. While we are going through this disruptive period the end is in sight. I am sure people have seen the tracks on George Street and we are beginning to see some of the paving. I believe that in a few months time it will be dramatically different.

As the Deputy Premier has already indicated, the Minister for Transport is looking at some packages which provide rental assistance. It requires someone to produce three years of financial accounts to see what has happened to the turnover in that period. The Office of the NSW Small Business Commissioner [OSBC] with Transport for NSW was working with those businesses, as I said, months before the project started in 2015. We continue to do that, and we will continue to be with them out the other side of the project.

Reverend the Hon. FRED NILE: Good. I am very encouraged by that. You mentioned rental assistance. Is there any other financial assistance? Is there any compensation considered if there has been a devastating impact on a small business?

Mr JOHN BARILARO: The impacts that we are looking at are with the delays that have occurred in George Street. Part of the criteria is whether a small business has been impacted by the delays. The key issue here is, of course, that many landholders are not able to pay the rent. So our focus has always been on rental relief during the delays. The small business advisers are on the ground. We are working with the small businesses. We have all that in place. If small businesses have issues with landlords the mediation process of the Office of the Small Business Commissioner is in play and is free of charge initially. We will work through that.

There is a range of services through which we can help businesses. There is no question that with all the disruption that is happening as a result of all the investment by the New South Wales Government in infrastructure right across the State it will have impacts, but George Street is unique. It is a precinct on its own and the delays have been part of the problem.

Reverend the Hon. FRED NILE: We support the infrastructure; there is no problem about that. It is just a question of the impact on other areas of society, especially small businesses. You have avoided mentioning the word "compensation". Is there no thought of compensation if it is a very serious situation of a small business going bankrupt?

Mr JOHN BARILARO: Again, the assistance is there. We will work with the assistance put in place by Minister Constance, the Minister for Transport and Infrastructure. Now they are working individually with those businesses. Once we assess those businesses through the process we will be able to respond with a financial package that will support them. That is the process at the moment.

Ms HOBBS: May I add something, Deputy Premier? Mr Nile, the other thing I should mention about George Street which you raised is that beyond the construction of the light rail there is a lot of development activity happening along George Street. Landlords have taken advantage of that to build new constructions or refurbish their buildings. There are two particular examples of that—the complex around Wynyard station and then 333 George Street, which is near Regimental Square. The other thing I would also say about that is that new businesses are beginning to open along there in any case, which is drawing people back. One of the significant things is the new Nike flagship store at Wynyard. So while there is disruption, we are seeing people moving back into those areas now well in advance of the project being finished.

Reverend the Hon. FRED NILE: Moving on to regional New South Wales, can the Minister advise whether or not there have been any cross-ministerial cooperation meetings concerning unemployment rates in these regional areas of Australia? Have you had any discussions and do you have any plans to cope with unemployment?

Mr JOHN BARILARO: Yes. What we have seen in regional New South Wales, of course, is business confidence. Recent census data has shown that in regional New South Wales business confidence is at an all-time high. I think it is a nine-year high. I think in the last census it was an increase of more than 38 per cent. What we are seeing is jobs growth. Jobs growth since 2015 is in the vicinity of 50,000 in regional New

South Wales. That is coming predominantly from small to medium enterprises which on average have an increase of 1.5 to two employees. When you have that confidence you will see that regional employment figures as an average across the board are either the same or below the national average. Unemployment figures in New South Wales are below the national average running at 24.8 per cent and I think are seasonally adjusted at 5 per cent.

We have an issue with youth unemployment in parts of the State; there is no question about it. In the Illawarra, on the Central Coast and in the Central West are some key hotspots where we are seeing youth unemployment in this State at anywhere between 11 per cent and 12 per cent—up to 23 per cent or 24 per cent. That is why in last year's budget we announced \$100 million in the Smart, Skilled and Hired program. Of that \$65 million was aimed at youth employment packages which we have just announced in contracts across the State and programs in partnership to work through why these kids are not getting into employment. We do have issues. In the Riverina, unemployment is at an all-time low, including youth unemployment. Parts of the State are struggling more than others but we are seeing significant investment and jobs growth and we are managing employment in the regions.

Reverend the Hon. FRED NILE: Good.

Mr BARNES: Just to give you some figures, unemployment in regional New South Wales over the past 12 months has dropped from 6.1 per cent to 5.4 per cent, which leads the country. As the Minister pointed out, more jobs have been created in regional New South Wales than in all the other States combined since the April figures of 2015. So it is good news in the bush but again, as the Deputy Premier identified, we are working across other jurisdictions as well because youth unemployment in some pockets right across regional Australia is becoming an issue, particularly in places where jobs are being created. That will require some good policy and some careful thinking.

Reverend the Hon. FRED NILE: Following up on issues in regional New South Wales, there have been reports of alcohol and drug abuse problems in those regional areas. Do you have any special policies in your area or do other Ministers to deal with that situation?

Mr JOHN BARILARO: The drugs issue is a problem in regional New South Wales. We have the ice epidemic right across the State. This Government has responded through Minister Grant and Minister Goward in relation to how we manage drugs in regional New South Wales. It is a problem. I cannot pretend that the problem has been resolved; it is an ongoing issue. When we talk to our local area commands we hear that the drug epidemic continues to be a major problem, which is why it is important to get kids into employment. That is why the youth employment package is not just about writing resumes or curricula vitae; it is also about finding practical ways of helping young people back into employment. It could be paying for their white card transport costs or buying a washing machine at home so they can wash their work clothes or other clothing and get to study. We have gone a little outside the box to try to find a way to cut through these issues. If we get kids into vocational training and get them into employment that is one way to fix some of the social problems we find in the bush.

The Hon. JOHN GRAHAM: I refer to the North Coast floods. Category C funding started flowing to small businesses months after the declaration of a natural disaster. There was significant paperwork, even if some of the paperwork and computers had been washed away. There have been reports that small businesses in some areas were eligible for \$15,000 in funding, some were eligible for \$10,000, some received no funding and some were given grants of \$25,000. Businesses across the border in Queensland were reportedly eligible for \$25,000. Why did businesses in Tumbulgun receive less funding than others?

Mr JOHN BARILARO: The floods were a disaster. Everybody wants to support those communities but often we turn up only during the floods. Emergency services did a wonderful job in getting that community through safely—beyond the natural disaster.

The Hon. JOHN GRAHAM: But why the inequity?

Mr JOHN BARILARO: In relation to category C funding in that area, New South Wales responded more quickly than any other State, which was reflected by the Federal Government.

The Hon. JOHN GRAHAM: Funding has been slow to flow to these areas. Why the inequity?

Mr JOHN BARILARO: We were on the ground early through the Office of the Small Business Commissioner. All the other agencies were on the ground to make sure we could get necessary information and data. I will ask the Small Business Commissioner to respond as her team did a lot of the heavy lifting up there. Since then we have seen about \$6.5 million in category C recovery grants.

The Hon. JOHN GRAHAM: I have a number of specific questions. Why are people getting different funding packages?

Mr JOHN BARILARO: A range of different packages were available. We are working with local members, the community and small businesses in relation to the funding.

The Hon. JOHN GRAHAM: When did the first category C payments begin to flow to small businesses?

Mr JOHN BARILARO: I do not know. I will refer your question to Ms Hobbs.

Ms HOBBS: I will take that question on notice and come back to you as to when it first happened.

The Hon. JOHN GRAHAM: Sure.

Ms HOBBS: It is now approaching six months since this happened. Cyclone Debbie occurred on 30 and 31 March. We were there as soon as emergency services told us we could go there.

The Hon. JOHN GRAHAM: I am asking specifically about the payment. I am happy for you to take that on notice.

Ms HOBBS: I am happy to take that on notice, but I would like to say that our team helped those businesses complete the applications for category C funding.

The Hon. JOHN GRAHAM: I understand.

Ms HOBBS: You mentioned Tumbulghum and the area around Murwillumbah. You have got Uki, Billinudgel and other areas there. I received a request from Tweed Shire Council on the Thursday before Easter.

The Hon. JOHN GRAHAM: I am not interested in the start of the process; I am interested in—

Ms HOBBS: I know. I just want to help you with the Tumbulghum bit. Originally Tumbulghum and those other communities were not included. I made an application on behalf of the Deputy Premier to the Office of Emergency Management. For the first time ever those areas around the Tweed, including Tumbulghum, were opened up to category C funding. That had never happened before.

The Hon. JOHN GRAHAM: Yes, but not to an equal amount. Deputy Premier, are you satisfied with the timeline for when those businesses received funding?

Mr JOHN BARILARO: I am never satisfied with timelines.

The Hon. JOHN GRAHAM: You certainly should not be with this one.

Mr JOHN BARILARO: I am never satisfied with the timelines that are required to get people back in business and moving. The impacts of the floods were significant. I visited after the floods to talk to businesses. That is why we announced not only category C funding. We announced the \$15,000 grants—

The Hon. JOHN GRAHAM: Yes, the talk started early. The trouble is the funding ended up being very late.

Mr JOHN BARILARO: We announced the funding. On top of the \$15,000 for which small businesses are eligible under category C, we announced a \$1 million Northern Rivers business support package which allows more businesses to apply for further funding. We are on the ground. My deputy secretary was in the region only last week talking to businesses. This is not something we can fix overnight. I would love to see every business back up and running but there are many reasons why that is not the case. The Government continues to be there to support those businesses.

The Hon. JOHN GRAHAM: Thank you.

The Hon. MICK VEITCH: Deputy Premier, recently Goulburn made a submission to a Standing Committee on State Development upper House inquiry concerning the loss of 500 jobs from Australian ticket makers. Essentially, the business was going to move from south-western Sydney to Goulburn, bringing 500 jobs. They spoke to a number of government departments but were advised that there was no assistance because Treasury deemed there would be no net gain in jobs for New South Wales. The end result was that those 500 jobs, rather than staying in New South Wales, went to Victoria, so we lost jobs. I have a number of other questions about that which I would like to take up with you at some stage. Treasury's line on no net gain affects regional New South Wales in relocating businesses from Sydney. Are you happy with Treasury's position in that instance?

Mr JOHN BARILARO: Firstly, it is not just Treasury. That was a process with Jobs for NSW, and Jobs for NSW has a range of products to assist businesses that are starting up or innovating. One of the things that we do not do to compete with other States is to buy jobs. Let us be honest, it is tax dollars and you would probably accuse me of corporate welfare if I had just bought those jobs.

The Hon. MICK VEITCH: You are beginning to know me too well.

Mr JOHN BARILARO: That is right, I cannot win here with you on this one. Remember these corporates who are in Sydney and are looking to relocate often have some significant assets themselves which, if they were genuine about moving to a part of the State, can make those decisions and the Government is always prepared to partner. We have put in place a number of incentives for businesses and Jobs for NSW can do that.

In relation to the option of what I would call buying from other States, Victoria and other States are being very, very competitive. But, in saying that, there may be still an opportunity for the Government. I have asked the Deputy Secretary to do some work in this space in relation to retention of jobs and how important relocation of those jobs to regional New South Wales is. Through Jobs for NSW we continue to invest and create jobs. We have seen job growth in this State over the \$150,000 target that we set from 2015. We have hit that mark and we will always look at opportunities to keep jobs, grow jobs and retain jobs. I would love to see more jobs in regional New South Wales.

The Hon. MICK VEITCH: But in this case we actually lost 500 jobs to Victoria. I am asking about the hardline position the Treasury takes on projects like this. I am passionate about things going to regional New South Wales, as you know.

Mr JOHN BARILARO: Yes, I know.

The Hon. MICK VEITCH: I am disappointed that this did not go to regional New South Wales. Has your department met with Goulburn council, almost in a post-mortem process, to work out what could have been done better?

Mr JOHN BARILARO: Pru Goward, as the local member, has spoken to me often about it and is very disappointed about it. We have met with council previously. We were not able to pull off this particular deal for whatever reason. Jobs for NSW is independent of the Government. We set them up with a \$190 million fund. People like David Thodey and Karen Borg, who is the chief executive officer, and both secretaries sit on the board of Jobs for NSW. Those decisions are merit based and there is a formula in relation to what is the value of a job. We are going to see more of this happen, I am not going to pretend that that is not the case, but it is tax dollars. You would accuse me of corporate welfare if we gave companies millions and millions of dollars to just keep them in this State. In this case, the decision made by the board—and either secretary could make commentary if they want—was not to invest and not to support those jobs, but there is a gap.

The Hon. MICK VEITCH: Where I am going with this is benefit-cost ratio. Wherever I go in country New South Wales, invariably the councils there will say to me, "We pitched a project and it got knocked over by Treasury because it did not meet benefit-cost ratio."

Mr JOHN BARILARO: Absolutely.

The Hon. MICK VEITCH: One of the major components of that benefit-cost ratio is the impact of the benefit to the population. If we keep going along that line do you not agree that eventually there will be no money for the bush?

Mr JOHN BARILARO: Absolutely.

The Hon. MICK VEITCH: You agree the benefit-cost ratio is not working for regional New South Wales?

Mr JOHN BARILARO: That is why we have done a lot of work in this space, with the recent announcement of the \$1.3 billion regional growth funds—especially the component we are called Growing Local Economies. Some \$500 million is going to 34 different economic regions in New South Wales to work with community, local government and industry to track and turbocharge their economies.

The Hon. MICK VEITCH: Is that new money?

Mr JOHN BARILARO: It is.

The Hon. MICK VEITCH: The \$1.3 billion is all new money?

Mr JOHN BARILARO: It is new money.

The Hon. MICK VEITCH: It is not other funds that have been rolled up and rebadged.

Mr JOHN BARILARO: No, that is new money. There is another \$300 million in regional growth, which is the Environment and Tourism Fund, that is rolled over from last year, but that makes it \$1.6 billion then.

The Hon. MICK VEITCH: Just to be clear: There are no projects you are going to roll across from previous funding arrangements into the new \$1.3 billion?

Mr JOHN BARILARO: What you are probably pointing to is the Resources for Regions, \$50 million this year.

The Hon. MICK VEITCH: There are no projects that you are going to roll across to the \$1.3 billion fund?

Mr JOHN BARILARO: Not projects; the \$1.3 billion is new funding. It is the Regional Growth Fund. To your point of benefit-cost ratio, we have been doing a lot of work with Infrastructure NSW. Again, this is not our money; it is tax dollars and we have got to ensure the process is right. In relation to what are the other dividends that we want to see back in regional New South Wales, they are not just economic. Maybe my Deputy Secretary will speak further to that benefit-cost ratio issue.

Mr BARNES: I might say that just before lunchtime today I had my third meeting with Goulburn council and the local member. We were actually speaking about a company in Western Sydney that is looking to expand into Goulburn and how we could utilise regional growth funds—in particular the fund to which the Deputy Premier has just referred—to assist not just that company but a number of companies, because it is going to be about multi-user infrastructure, to actually get over the line so that they can expand their business in that location. We are acutely aware that a strict interpretation of cost-benefit analysis that generates a benefit-cost ratio needs to be, if you like, taking care of regional factors. In fact, there is a version of the cost-benefit analysis process that allows for that to occur, which we will be using for the regional growth funds.

The other thing that is significantly important, and the Deputy Premier has spoken to councils right across regional New South Wales, is the new growing regional economies fund for the first-time moves away from statewide beauty contests, so that there is money allocated to a regional footprint. As long as the benefit-cost ratio is one or above, they are not competing with locations up the road. For example, Dubbo will not compete with Orange will not compete with Goulburn. This has been a welcome addition that Infrastructure NSW have included in the way in which they do their business.

The Hon. MICK VEITCH: You will appreciate regional New South Wales are saying every time they come to Sydney and they go back home the Government promised we will get 30 per cent of Restart NSW, for instance.

Mr JOHN BARILARO: And they are getting it.

The Hon. MICK VEITCH: They are saying they are not seeing it; they are actually not getting it.

Mr JOHN BARILARO: Really?

The Hon. MICK VEITCH: Absolutely.

Mr JOHN BARILARO: If you look at this year's budget—roads, rail, schools, hospitals.

The Hon. MICK VEITCH: Ten per cent of the Roads budget west of the Great Dividing Range, to be fair, it is not rolling out like you say it is.

Mr JOHN BARILARO: Some 65 per cent of the Roads budget is actually regional New South Wales.

The Hon. MICK VEITCH: If you go and talk to the councils, they will say we are putting forward viable projects that will actually assist in things like logistics movements, and they are not getting up. I am heartened to hear there is a little bit of work to be done around that. With regard to your new fund, the \$1.3 billion fund, what you are saying is that essentially a way of circumventing Treasury is to pitch your projects under this new scheme.

Mr JOHN BARILARO: No, because it still has to go through Infrastructure NSW, which is independent of us, and they will make a recommendation to Treasury after that application. What the Deputy Secretary has spoken about is the process. We are offering the opportunity for those proponents, rather than put in an application, it goes in a black box, we shake it and three months later you get a result—or not. What we are saying is we are going to work with those proponents very early, get the inputs right, get the information

right very, very early, so that when they actually go into the process we are confident that they will get the tick of approval from Infrastructure NSW, who would then, of course, make a recommendation to the Treasurer to sign off.

Mr BARNES: In the next two weeks we will have a template that people in regions can use to make sure that we get the best outcome.

The Hon. JOHN GRAHAM: Thank you for that. Deputy Premier, your Government promised the people of New South Wales that power prices would not rise following privatisation. Small businesses in New South Wales will be hit with an average increase of \$900 to their power bills. Why did you break that promise?

Mr JOHN BARILARO: Again, you are trying to link two very different parts of the electricity market. Firstly, a lot has happened since 2015 in relation to the Australian Energy Regulator coming into play and really setting the standard for all players—be it private companies or the Government's 100 per cent owned Essential Energy.

The Hon. JOHN GRAHAM: It certainly has on power prices.

Mr JOHN BARILARO: All of us are doing whatever we can.

The Hon. JOHN GRAHAM: Do you stand by that promise?

Mr JOHN BARILARO: Yes, we do because if you look at the distribution network—

The Hon. JOHN GRAHAM: Thank you.

Mr JOHN BARILARO: No, let me answer. In the distribution network, which is poles and wires, what we are seeing is those distribution network costs are coming down, but electricity prices are going up because of the generators. And let us not forget you guys sold the generators not us—I just want to make that point.

The Hon. JOHN GRAHAM: I want to ask you about the good news in the bush. Your Government has published figures showing that over the next five years jobs in regional New South Wales are projected to grow by 7 per cent rather than 11 per cent in Sydney, so 4 per cent slower. They have also published figures saying inequality is higher in regional New South Wales than in Sydney. People have got a right to feel they are slipping behind, do they not?

Mr JOHN BARILARO: We have to look at the future. Look at the Australian economy and the stress on the economy. Look across the board in Queensland, Victoria, and Western Australia at the moment and then compare that with what is happening in New South Wales.

The Hon. JOHN GRAHAM: These are your figures?

Mr JOHN BARILARO: Yes. Look at the New South Wales Government's investment of \$73.3 billion over the next four years in infrastructure which we dreamed about. We can do that because we have balanced our books. We are stimulating the economy and we are continuing to see growth.

The Hon. JOHN GRAHAM: It might be easier if we zoom in on one example. Let us look at the Griffith regional economy, which includes Griffith, Leeton, Murrumbidgee, and Narrandera—largely in Adrian Piccoli's electorate. Between 2001 and 2014 the population grew by 1 per cent compared to 15 per cent in the rest of New South Wales. A couple of years ago taxable income was \$43,000, compared to \$62,000 in Sydney. It is a community that is doing it tough in some ways. The Government commissioned research that showed that of the 20 industries identified as making up the Griffith regional economy, jobs are going to grow in three and are going to fall in 17. A couple of the industries we are talking about are sheep, beef cattle and grain farming, which has jobs going down; and meat and meat product manufacturing, which has jobs going down. The two industries that are identified by the Government for the future in the Griffith regional economy are sewerage and drainage services and supermarkets. Unless you are a plumber or you are behind a checkout in these towns, the Government says "Your future is looking pretty bleak." Given this picture of our tough economy which is only getting tougher, what is your message to the people in Griffith, Leeton and Murrumbidgee?

Mr JOHN BARILARO: When was the last time you went to Griffith, Leeton, or Murrumbidgee?

The Hon. JOHN GRAHAM: Quite recently, actually, but I am asking the questions. What is your message? Is that your message to these people?

Mr JOHN BARILARO: I will tell you what my message is. You are sitting comfortably here today and making a heap of calls relating to what is happening in that area but if you go down the river you will see

investment by companies like Baiada Poultry, which is stimulating the economy by increasing jobs in the poultry industry.

The Hon. JOHN GRAHAM: The trouble is that your Government is making it worse. Jobs are tipped to fall in local government administration, schools and education. Are you not making it worse?

Mr JOHN BARILARO: Absolutely not. This Government is stimulating the economy through its investment in hospitals, education and schools.

The Hon. JOHN GRAHAM: Is your Government's budget not making it worse—

The Hon. NATASHA MACLAREN-JONES: Point of order: The member's time has expired. I know that he likes to hear his own voice but his time has expired.

The CHAIR: The member's time has expired.

Mr JOHN BARILARO: The roads budget in regional New South Wales is up 105 per cent since 2011 and 65 per cent of it is in regional New South Wales. Fixing Country Roads, Fixing Country Rail and Bridges for the Bush are all great programs. I know that the Hon. Mick Veitch loves those programs. He once said that Resources for Regions should have been Labor Party policy. I know he championed it, so well done to him. We have done that and we are seeing investment in all the infrastructure that really matters. Jobs go up and jobs go down; we all know that. We will see much disruption when it comes to industry because of innovation and technology. As a country, one of our most significant costs is labour; therefore, businesses will continue to innovate, to look at new technology and robotics, and to invest in innovation to minimise costs. That is the challenge. Plenty of recent reports talk about the challenges we have, but jobs growth is in health, biotic, cyber security, ICT, tourism, hospitality and agriculture. I remind everyone that the unemployment rate is at 4.8 per cent.

Mr JEREMY BUCKINGHAM: Excellent. Why is the ethanol mandate good for regional motorists and regional service station owners?

Mr JOHN BARILARO: I know we all disagree on ethanol.

Mr JEREMY BUCKINGHAM: We all disagree on ethanol.

Reverend the Hon. FRED NILE: No, we support ethanol.

Mr JOHN BARILARO: Thank you.

Mr JEREMY BUCKINGHAM: Do you support the ethanol mandate?

Mr JOHN BARILARO: Absolutely. The 6 per cent mandate relating to—

Mr JEREMY BUCKINGHAM: Is it a 6 per cent mandate?

Mr JOHN BARILARO: Is the ethanol mandate not 6 per cent?

Ms HOBBS: Yes, it is.

Mr JOHN BARILARO: Yes, of course it is. We are looking to alternative fuels. I would have thought that The Greens would have been the champions for alternative fuels.

Mr JEREMY BUCKINGHAM: So it is good for motorists? Are they paying less for their fuel?

Mr JOHN BARILARO: Once we roll out ethanol to the scale that we are hoping we will see greater investment. It will drive more competition and downward prices.

Mr JEREMY BUCKINGHAM: Where is that competition coming from in ethanol?

Mr JOHN BARILARO: It is not there at the moment. What you have to do first is put in place the mandate, which is what we have done. Now that has been enacted we want to see greater investment in this space. If you set up the framework industry and businesses will invest. That is what we have done so we will hope for greater investment which will drive down prices. I know you will refer to your recent article in which you said that ethanol prices have gone up and that there is no competition. But we are seeing increases across the board. The Australian Competition and Consumer Commission made the commentary that there is nothing at the moment to show that ethanol is causing prices to go up.

Mr JEREMY BUCKINGHAM: That is not what it said at all.

Mr JOHN BARILARO: Is it not?

Mr JEREMY BUCKINGHAM: No, it said the opposite. It said it was driving prices up because people are going to premium and unleaded. Deputy Premier, you said in a previous response that if you had met with Mr Huang Xiangmo it would be in your diary.

Mr JOHN BARILARO: I would hope so, yes.

Mr JEREMY BUCKINGHAM: You would hope that it was in your diary. What if I told you that it was not?

Mr JOHN BARILARO: That is something I would have to talk to my office about. If you want to give me the dates of when it happened I would be more than happy to have a look.

Mr JEREMY BUCKINGHAM: You would like me to give you the dates of a meeting that I cannot find out about because they are not in your diary?

Mr JOHN BARILARO: I am more than happy to go back to my office and check those dates in my diary to see when I met with him.

Mr JEREMY BUCKINGHAM: And then update the diary?

Mr JOHN BARILARO: I am not sure if I have to update the diary. I will just make sure—

Mr JEREMY BUCKINGHAM: Why would they not be in the diary?

Mr JOHN BARILARO: Let us hope that they are.

Mr JEREMY BUCKINGHAM: They are not.

Mr JOHN BARILARO: You are saying that they are not. I need to check.

Mr JEREMY BUCKINGHAM: No, I am not saying they are not. It is a matter of public record that they are not.

Mr JOHN BARILARO: I will take that question on notice and come back.

Mr JEREMY BUCKINGHAM: And do what?

Mr JEREMY BUCKINGHAM: We will come back and notify you if the diary does not reflect my meetings with stakeholders.

Mr JEREMY BUCKINGHAM: With Mr Huang Xiangmo?

Mr JOHN BARILARO: Yes.

Mr JEREMY BUCKINGHAM: And you will update the diary to reflect those meetings?

Mr JOHN BARILARO: First we need to find out if what you are saying is correct.

Mr JEREMY BUCKINGHAM: If what element of what I am saying is correct?

Mr JOHN BARILARO: If the diary does not reflect my meetings.

Mr JEREMY BUCKINGHAM: You are disputing that?

Mr JOHN BARILARO: I am not disputing it; I am just saying that I do not have my diary in front of me.

Mr JEREMY BUCKINGHAM: When you did meet with Mr Huang Xiangmo? What did you discuss? What was the purpose of those meetings?

Mr JOHN BARILARO: A couple of those were at events celebrating Chinese New Year. Mr Huang Xiangmo is a representative of the Chinese community and he was talking about issues that are affecting the Chinese community. That is what comes to mind.

Mr JEREMY BUCKINGHAM: He did not talk about any business interests, investment opportunities, or any government policy?

Mr JOHN BARILARO: Not that I can recall, no.

Mr JEREMY BUCKINGHAM: Can you guarantee that it did not happen?

Mr JOHN BARILARO: No, I cannot guarantee because I do not recall. Again, whatever conversations I have with stakeholders may remain confidential. That is the whole purpose of meeting with

them, and that is why they meet with Ministers. But at the same time I am more than happy to come back if it has not been.

Mr JEREMY BUCKINGHAM: So you met with Xiangmo but you do not know whether you talked about his business interests. You met with Mr David Harris and you do not know whether you talked about cotton or water?

Mr JOHN BARILARO: Which Mr David Harris are you referring to?

Mr JEREMY BUCKINGHAM: Mr David Harris from Moree, the political donor I was referring to who was subject to the *Four Corners* allegation that he stole millions of dollars worth of water.

Mr JOHN BARILARO: I have a feeling that David Harris was not mentioned in the *Four Corners* story, was he?

Mr JEREMY BUCKINGHAM: I have a feeling that he was.

Mr JOHN BARILARO: No, you are making that claim but I am not sure whether he was. I am asking you now because you have made the claim that he was. I do not think he was. But the point is that my diary discloses everything that I do. It is on the public record.

Mr JEREMY BUCKINGHAM: Except the things that are not in the diary.

Ms GLADYS BEREJIKLIAN: Well, that is what you are saying. We will see.

Mr COMLEY: I think I clarified that there are rules that guide—

Mr JEREMY BUCKINGHAM: Yes, there are meetings that are not meetings where you talk about things that are not necessarily anything because we do not know.

Mr COMLEY: To be fair, early in my time a review was done of the diary disclosure policy which was brought in, I believe, by this Government. There was a question about what was practical to disclose when you had—

Mr JEREMY BUCKINGHAM: I have very limited time, Mr Comley. I appreciate it; thank you.

Mr JOHN BARILARO: Do you disclose your diary publicly?

Mr JEREMY BUCKINGHAM: I will show you mine if you show me yours.

Mr JOHN BARILARO: Mine is on the public record. Is yours?

Mr JEREMY BUCKINGHAM: Yes, but mine is up to date and complete. Deputy Premier, have completions for apprenticeships and traineeships gone up or down in the past three years?

Mr JOHN BARILARO: Completions is an issue that we are still facing.

Mr JEREMY BUCKINGHAM: Have they gone up or down?

Mr JOHN BARILARO: Up and down. We got it up from about 52 to 60 and it is running at about—

Mr JEREMY BUCKINGHAM: No, since 2013.

Mr JOHN BARILARO: Without the data right in front of me—

Mr JEREMY BUCKINGHAM: I have the data right in front of me. Since the fee increases came in on 1 January, completions in traineeships and apprenticeships have gone down from 60,000 to 30,000. Is that because your pay for traineeships and pay for apprenticeships fee increases have gutted vocational training in New South Wales and have led to a catastrophic collapse in the number of people walking out of training with a certificate?

Mr JOHN BARILARO: Completions normally relate to people who have already commenced their apprenticeship. Are you trying to say that people halfway through their course decide they are going to give it away because of fee increases?

Mr JEREMY BUCKINGHAM: Are you saying they are not because of the prices?

Mr JOHN BARILARO: The prices were not retrospective. Those who signed up initially would not have had to pay the current prices. The point here is that there is a co-contribution relating to apprentices. If you are an apprentice joiner, the cost to deliver—

Mr JEREMY BUCKINGHAM: But they are not year on year. Every year that you go, the price—

Mr JOHN BARILARO: But if you go to 2012, as you rightly noted, a lot of Federal incentives had gone. The Gillard Government got rid of the employer incentives and we saw a 25 per cent drop—

Mr JEREMY BUCKINGHAM: Are you saying that someone who signed up in 2013 would not have seen a fee increase because of your policy?

Mr JOHN BARILARO: Smart and Skilled came in in 2015.

Mr JEREMY BUCKINGHAM: Yes, but if someone who signed up in 2013 and maybe did it over three or four years—

Mr JOHN BARILARO: And they have not completed?

Mr JEREMY BUCKINGHAM: Yes.

Mr JOHN BARILARO: Yes.

Mr JEREMY BUCKINGHAM: No, would they receive—

Mr JOHN BARILARO: There are a number of reasons people do not complete. Completion rates in this—

Mr JEREMY BUCKINGHAM: Are you saying that fee increases are not a reason for a massive reduction in completions?

Mr JOHN BARILARO: Fee increases in relation to new enrolments may be a deterrent for someone who wants to enrol, but that is why we have also introduced 200,000 fee-free scholarships for those at most disadvantage. The \$2,000 contribution to a young person taking on an apprenticeship—and if you think about it, a three- or four-year apprenticeship for 2,000 bucks, less than a cup of coffee a week—is investing in their future. For example, with joinery, carpentry, the cost is about \$13,000 and we are asking the young person to contribute \$2,000 and we, you, all the taxpayers of New South Wales, subsidise the rest.

Mr JEREMY BUCKINGHAM: Only \$2,000.

Mr JOHN BARILARO: For an apprentice, yes.

Mr JEREMY BUCKINGHAM: Yes, but that is across the board, in all.

Mr JOHN BARILARO: Apprenticeships.

Mr JEREMY BUCKINGHAM: Do we have skills shortages in New South Wales?

Mr JOHN BARILARO: Absolutely.

Mr JEREMY BUCKINGHAM: Do you think your Government's policies are contributing to those? Do we have shortages in automotive electricians, motor mechanics, diesel motor mechanics, motorcycle mechanics, structural steel and welding trades workers, fitters, panel beaters, vehicle painters, bricklayers, carpenters and joiners, painting trades workers, fibrous plasterers, plumbers, cabinetmakers, butchers, smallgoods makers, chefs and enrolled nurses?

Mr JOHN BARILARO: Absolutely.

Mr JEREMY BUCKINGHAM: We do. Do you take any responsibility for the fact that we have a massive skills shortage and a whole heap of people would love to have those sorts of jobs but cannot pay for the fees?

Mr JOHN BARILARO: Absolutely—it is a sign of a growing economy that is accelerating. If you go back over the last 10 years, maybe it was a lack of—

Mr JEREMY BUCKINGHAM: So it is good news!

Mr JOHN BARILARO: No—it was a lack of investment by governments in the past, when the economy was flat, in the skills shortages and the workforce of the future. That is the best time to invest; that did not happen. The Federal Government in 2012 took away so many incentives for employers and for people in apprenticeships and trades and we saw it tank 25 per cent in a 12 month period and 50 per cent in another period. The tools of trade—all of those issues. Then there was the disruption: Do not forget the VET Fee-Help disruption which absolutely distorted the marketplace. But when you go back to what we have done in this State, we are bucking the trend. We are seeing growth in apprentices and trainees in New South Wales, and the 457—

Mr JEREMY BUCKINGHAM: You are seeing a massive reduction in completions. [*Time expired.*]

The CHAIR: The member's time has expired.

Mr JEREMY BUCKINGHAM: It is down 30,000 in three years. They are your figures. Bucking the trend!

Mr JOHN BARILARO: The national trend—yes, absolutely.

Reverend the Hon. FRED NILE: Do you believe vocational training could be better served if it was more integrated with our secondary school system with technical high schools and so on?

Mr JOHN BARILARO: Absolutely. As the Minister for Skills, of course, my responsibility for vocational education is outside the school system; within schools, VET in Schools remains the responsibility of the Department of Education. It is the piece that did not come across to Industry when we pulled TAFE and VET out of Education. In recent conversations with the Secretary and the Minister for Education, we are working towards an opportunity for greater involvement by me and Industry in relation to how VET in Schools works. It is the pipeline. If we can get VET in Schools, make it as seamless as possible, and get kids into genuine training early, I believe it is the pipeline that will result in the skilled workforce continuing to grow outside the school system. There are a lot of kids that we now keep in secondary schooling that may want to start an apprenticeship or a traineeship or undertake a vocational education pathway, but we have not made that seamless. We have not made that as easy as it possibly can be. I think it is a patchwork approach across both government and non-government schools.

That is an area that I want to resolve and I am happy to resolve, and I will work with the Department of Education, because if we get that right, get kids engaged early in VET, I think parents, career advisers and of course employers will see that as an opportunity to really grow the workforce through vocational education. This is all part of the question that I had to answer earlier about repositioning vocational education and training. We have a sell job to do to convince mums and dads, students, career advisers, politicians and the community that vocational education is a genuine pathway. The best way to do that is to do it in the school system, so I am focused on that. I will work with the Department of Education. If we can get that piece right, I think we will move the needle consistently and to a point where we are no longer going to have to rely on 457 visa workers. I have said this publicly: I see 457 visa workers as a bandaid approach. It should only be used when we are under stress, which is what the economy is going through.

Reverend the Hon. FRED NILE: It should not be necessary, yes.

Mr JOHN BARILARO: Yes. But we have an opportunity—and the legacy that I want to leave is one of opportunities for young kids to get the training, the education, on a pathway that suits them, the choice that suits them, and I want to be able to sell vocational education as that genuine pathway.

Reverend the Hon. FRED NILE: You said a moment ago you were happy to have these scholarships available. Could you outline what these scholarships are in this area of apprenticeships, TAFE and so on?

Mr JOHN BARILARO: It is right across vocational education. We recognise there are many in the community that are disadvantaged and do not have access to the means to get the education and training. That is why the New South Wales Government made an announcement of 200,000 fee-free scholarships for the most disadvantaged in our community. They might be coming from out-of-home care, social housing, welfare, survivors of domestic violence and their dependants—all have the ability to have access to the fee-free scholarships. That is running at close to 50,000 on the fee-free scholarships now.

It is our way, as we say in the system: Where people can afford to invest in their education there is a co-investment, but as I explained earlier, often where it is subsidised it is 75 or 80 per cent of the course costs to deliver the course, which is taxpayers' dollars. Where those who can afford will co-invest, that is great, but for those who cannot and are disadvantaged, we are there to pick up the pieces and get more people into training, upskilling, new qualifications. That is where our balanced system is. We often get criticised: that our system is broken, that we are not looking after the most vulnerable.

If 2011 there were something like only 40,000 people in the system who were getting free access to vocational education. Today, under our system and the co-investment of those that can afford it and then the fee-free scholarships—and of course Aboriginal students get access free—we see about 100,000 students in the system now that are paying nothing for vocational education. It is this co-investment. It is a balancing act. If we can offer free training to everybody, that would be great, but we all know that government resources are limited, especially when there is so much demand on the health budget and the education budget—

Mr JEREMY BUCKINGHAM: We are running massive surpluses.

Mr JOHN BARILARO: Yes, we are running surpluses with good fiscal management. That is what we can then invest, a significant investment, back into hospitals. That is \$7.7 billion in hospitals across the State; \$4.2 billion in schools across the State. That is why we can do that, because we managed our books. When a government manages its books, it can respond to the most vulnerable in the community; that is why we can offer the 200,000 fee-free scholarships.

Reverend the Hon. FRED NILE: Are you doing a special investigation of why students are dropping out and how we can get them back into training programs?

Mr JOHN BARILARO: Within the school system or in general?

Reverend the Hon. FRED NILE: In TAFE, skills training and vocational education.

Mr JOHN BARILARO: Completion rates in New South Wales, like across the border, are still quite low. For an apprentice it is running at about 52 per cent of people who actually enrol, start an apprenticeship and then drop out. We have started a couple of programs where we are trying to change that, and that 52 per cent has moved to 60 per cent and dropped probably back to 58 per cent. Our target, and one of the Premier's priorities, is to get right up to 65 per cent. In programs like the pre-apprenticeship program, we work with young people early on mentoring, pastoral, to make sure that firstly they have picked the right career, the right trade and the right apprenticeship.

We put that framework in place and through that support mechanism we have seen the dropout rate change to something like 70 per cent or 80 per cent for that small cohort. If we can continue to invest that wraparound service, the mentoring, we believe we can turn around the outcome. It is not always about more enrolments; it is what can we do with the enrolments that we have in the system to get more completions. If we can get the completions right and move that from 50 per cent—we inherited a figure of 52 per cent—up to 65 per cent, I think that is a good start.

There are a lot of reasons people drop out. Reforms in TAFE themselves, having the One TAFE model where it does not matter where people live in the State they have access to training, I think will also assist us. There are the youth unemployment packages, those practical investments with young people that have fallen through the cracks—if we can get that right—and the fee-free scholarships, the STEM scholarships. At the end of the day we do not have all the answers, but we are bloody trying.

Reverend the Hon. FRED NILE: I have a vested interest, because I have eight grandchildren and one great-grandchild. I am worried about them.

The Hon. JOHN GRAHAM: Have you had any discussions with your Federal colleagues about the NBN rollout in New South Wales?

Mr JOHN BARILARO: With my Federal colleagues?

The Hon. JOHN GRAHAM: About the NBN rollout in New South Wales?

Mr JOHN BARILARO: I have often talked about the NBN rollout and the disappointment that I face with it.

The Hon. JOHN GRAHAM: When were the most recent discussions you had with your Federal colleagues on this issue?

Mr JOHN BARILARO: Directly with the communications Minister, I do not recall; I do not think so. But I had Senator Nash yesterday who, with regional New South Wales and regional development—

The Hon. JOHN GRAHAM: You would have put the view informally but have you had formal discussions with the Federal Government about the NBN?

Mr JOHN BARILARO: No.

The Hon. JOHN GRAHAM: But the New South Wales Government is in early-stage discussions with NBN Co about the rollout. It is really part of your portfolio. Why have you not had those discussions with the Federal Government on a formal basis?

Mr JOHN BARILARO: Firstly, the NBN is a Federal program.

The Hon. JOHN GRAHAM: But its rollout is pretty significant to New South Wales.

Mr JOHN BARILARO: Absolutely, but our focus over the past two years and our \$39 million investment in the Mobile Black Spot Program—

The Hon. JOHN GRAHAM: But I am asking about the NBN and you are saying you have not had formal discussions with the Federal Government about its rollout. Is that what you are telling the Committee?

Mr JOHN BARILARO: Probably within government. I am sure in the public service the bureaucrats may have but I formally have not.

The Hon. JOHN GRAHAM: That is despite the fact that it really is the Regional NSW Group within the Department of Premier and Cabinet as part of the Connecting Country Communities initiative that is leading on this issue?

Mr JOHN BARILARO: Connecting Country Communities is a brand-new initiative through the Regional Growth Fund that we have announced.

The Hon. JOHN GRAHAM: Should you not be leading this?

Mr JOHN BARILARO: Absolutely I am leading it. I am the one who is out there selling the message about the opportunities.

The Hon. JOHN GRAHAM: But you have not met with the Federal Government. [*Time expired.*]

The CHAIR: Thank you, Deputy Premier and officers, for attending this hearing.

(The witnesses withdrew)

The Committee proceeded to deliberate.