

## **Budget Estimates 2018-19 – Monday 3 September 2018**

### **Portfolio Committee No. 5 – Industry and Transport**

#### **Lands and Forestry, Racing**

##### **Questions Taken on Notice**

##### **Question 1 (page 4 of transcript)**

**Mr JUSTIN FIELD:** Minister, can I draw your attention to this page of the budget estimates, which I would like to table? It shows a line item for clubs and hotels where a factor of a certain amount is accepted in the Treasury forecast for the next four years specifically with regard to the leasing arrangement. So do you agree that profitability of the industry has increased as a direct result?

**Mr PAUL TOOLE:** I take it on notice. The Treasurer is having his budget estimates right now. So you can go and ask him that question now, if you wish.

##### **ANSWER:**

Tax forecasts are a matter for the Treasurer.

The leasing scheme was intended to assist smaller clubs and hotels improve their financial viability. As at 13 September 2018, only four venues have had approval to lease gaming machine entitlements from other venues.

##### **Question 2 (pages 4-5 of transcript)**

**Ms DAWN WALKER:** When I asked this question in April—a question on notice—the Minister stated that no commitment had been made to supply logs. Am I to take from your answer that the Heyfield mill manager is incorrect in what he stated to the press in February 2018?

**Mr ROBERTS:** I obviously have not been able to read exactly what he has said. I did say we have supplied logs to that mill in the past. We are no longer supplying logs to that mill. I am certainly unaware of any discussions to continue to supply particularly spotted gum.

**Ms DAWN WALKER:** From which forests were you supplying that mill?

**Mr ROBERTS:** The hardwood forests out at Tumbarumba.

**Ms DAWN WALKER:** How much was coming out of those forests?

**Mr ROBERTS:** I would have to take that on notice.

**Ms DAWN WALKER:** Could you do that, please? I would be interested to know that.

**Mr ROBERTS:** Yes, sure.

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**Ms DAWN WALKER:** Was a payment made? What is the financial arrangement between Victoria and New South Wales?

**Mr ROBERTS:** It is not between Victoria and New South Wales; it is between the Heyfield mill and the Forestry Corporation of NSW. We had a commercial term sheet that dictated the way that that transaction would be carried out. Those logs were paid for by that mill.

**Ms DAWN WALKER:** Is that available?

**Mr ROBERTS:** Yes.

**Ms DAWN WALKER:** Could we also have that information?

**Mr ROBERTS:** Yes.

**ANSWER:**

The then Forests NSW sold a small quantity of timber from forests around Tumbarumba to the owner of the Heyfield mill around FY2007 and FY2008 which it elected to have delivered to its Heyfield mill rather than its sawmill at Alexandra, which was the usual, closer destination. In early 2018, a NSW-based Wood Supply Agreement (WSA) holder on-sold some timber made available under its WSA from Ingebriah State Forest. The practice and terms of any on-selling is a matter for the WSA customer.

**Question 3 (page 6 of transcript)**

**The Hon. MICK VEITCH:** Minister, how many trusts are involved in managing cemeteries in New South Wales?

**Mr PAUL TOOLE:** I do not have that exact number, but I might ask if that information is here today. There are a lot of trusts, as you would be aware, and those trusts do a pretty good job right across the State in managing our cemeteries on behalf of so many communities.

**The Hon. MICK VEITCH:** You can take this on notice if you have to.

**ANSWER:**

Currently there are 73 reserve trusts for cemeteries on Crown land across NSW.

**Question 4 (page 7 of transcript)**

**The Hon. MICK VEITCH:** In the past four years how many CEOs have there been at the Rookwood Cemetery trust?

**Mr PAUL TOOLE:** I will take it on notice.

**ANSWER:**

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There have been three CEOs at Rookwood General Cemetery over the past four years, one of which was in an interim acting capacity.

**Question 5 (pages 7-8 of transcript)**

**The Hon. MICK VEITCH:** You attended a planning day held at the Sydney Justice & Police Museum, which apparently included drinks with you afterwards. Can you advise how much the planning day cost?

**Mr PAUL TOOLE:** I cannot tell you how much the planning day cost but we can take it on notice. I make the point that it was an important opportunity to engage with those operators and to have a conversation about the work they have been doing. They were there as part of a workshop receiving information throughout the day as to how to work effectively, not only as a team but as a cemetery operator in this State. I do not know if Ms Manuel wants to elaborate a bit further on the planning day and the importance of that event.

**Ms MANUEL:** The day in question was on 1 August and we brought together 45 to 50 of our major stakeholders and looked at the work that we are going to be undertaking over the next 12 months to 24 months in the space. We need to work very closely with our stakeholders and we need to collaborate effectively, so that was a good way to get them altogether.

**The Hon. MICK VEITCH:** Minister, you are taking on notice the cost?

**Mr PAUL TOOLE:** We will take that on notice.

**ANSWER:**

I am advised that the total cost for venue hire, catering, equipment hire and technical support for the planning day was \$11,577.82 (GST exclusive).

**Question 6 (page 8 of transcript)**

**The Hon. MICK VEITCH:** What were the financial reserves of the Crown cemeteries at the end of last financial year?

**Mr PAUL TOOLE:** I will ask Ms Manuel if she has that information available, otherwise we will have to take that on notice as well.

**Ms MANUEL:** We will take that on notice.

**ANSWER:**

As at 30 June 2018, the unaudited net assets of the Crown cemeteries is a total of \$745.2 million.

**Question 7 (page 12 of transcript)**

**The Hon. MICK VEITCH:** Minister, under clause 6.2.1 of the revised Boral agreement in 2014, Boral is entitled to a specific share of small blackbutt logs—no more than 85 per cent of the quantity of blackbutt small logs. Are you aware of any impact on smaller sawmillers who, by definition, could therefore have only 15 per cent of the

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available blackbutt small log supply?

**Mr PAUL TOOLE:** I am not aware of it. I can take that on notice.

**ANSWER:**

Wood Supply Agreement (WSA) holders have been supplied with timber according to their contract provisions. Most WSA holders process a range of species for a variety of products, as has been the case for the term of their WSAs.

**Question 8 (page 12 of transcript)**

**The Hon. MICK VEITCH:** Minister, are there any non-Boral sawmills in northern New South Wales that have not received any allocations of blackbutt?

**Mr PAUL TOOLE:** I am not aware. I would have to take it on notice.

**ANSWER:**

Wood Supply Agreement (WSA) holders have been supplied with timber according to their contract provisions. Besides Boral, no other WSA holder has a species provision in their contract. All High-Quality Sawlog WSA holders located in areas where Blackbutt grows received a quantity of Blackbutt in the last financial year.

**Question 9 (page 15 of transcript)**

**The CHAIR:** Minister, have you approved the de-gazettal of Wallaby Scrub Road yet? You can take it on notice.

**Mr PAUL TOOLE:** I will take it on notice.

**ANSWER:**

The gazette was published on 7 September 2018.

**Question 10 (page 15 of transcript)**

**The CHAIR:** Are you aware of correspondence—legal advice—that has been sent to your office that would suggest that you no longer have the power to de-gazette Wallaby Scrub Road? Could you look into that and perhaps advise the Committee, under notice, of those two questions?

**Mr PAUL TOOLE:** Sure. We can do that.

**ANSWER:**

I am advised that correspondence has been received on this issue. I have also been advised that the closure of Wallaby Scrub Road followed the proper process and that the delegate's decision to close the road was valid.

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**Question 11 (pages 15-16 of transcript)**

**Mr DRAPER:** Chair, some of my colleagues have asked me to clarify something. I gave some evidence earlier about how salaries are determined the Act—the termination payments. I just wanted to clarify what I said earlier.

**The CHAIR:** No, you can qualify that on notice. We are eating into the member's time. That is my fault; I apologise, Ms Sharpe

**ANSWER:**

In responding to questions from the Hon. Mick Veitch about determining salaries and termination payments, Mr Draper gave two answers explaining how salaries and termination payments are generally determined for public sector executives. Those answers are accurate for executives employed under the *Government Sector Employment Act 2013* and *Government Sector Employment Regulation 2014* (GSE Act and Regulation). The Hon. Mick Veitch had earlier been asking questions about the CEOs of the five major metropolitan Crown cemetery operators. For clarity, those CEOs are not employed under the GSE Act and Regulation.

Termination provisions are provided for in CEO employment contracts and typically include a notice period and redundancy period.

A handwritten signature in black ink, appearing to read 'Paul Toole', with a large, stylized initial 'P'.

Paul Toole MP  
**Minister**