

PORTFOLIO COMMITTEE NO. 4 - INDUSTRY

Tuesday 17 March 2020

Examination of proposed expenditure for the portfolio area

**DEPUTY PREMIER, REGIONAL NEW SOUTH WALES,
INDUSTRY AND TRADE**

UNCORRECTED

The Committee met at 09:30

MEMBERS

The Hon. Mark Banasiak (Chair)

Ms Abigail Boyd

The Hon. Catherine Cusack

Mr Justin Field

The Hon. Emma Hurst (Deputy Chair)

The Hon. Trevor Khan

The Hon. Shayne Mallard

The Hon. Peter Primrose

Mr David Shoebridge

The Hon. Mick Veitch

PRESENT

The Hon. John Barilaro, Deputy Premier, and Minister for Regional New South Wales, Industry and Trade

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 budget estimates 2019-2020 further hearings. Members and witnesses and those in the public gallery, we request that any person who is feeling unwell or has returned from overseas within the last 14 days please leave the hearing room now. Before we 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 that respect to other Aboriginal people present.

I welcome Deputy Premier John Barilaro and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Regional New South Wales, Industry and Trade. Today's hearing is open to the public and is being broadcast live by 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 also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' 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 as soon as possible. Finally, could 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 your office as a member of Parliament. I also remind the following witnesses that you do not need to be sworn as you have also sworn at an earlier budget estimates before this Committee: Mr Barnes, Mr Hansen, Mr Hanger, Ms Bell, Mr Keon and Mr Roberts.

MICHAEL JOHN WILLING, Assistant Commissioner, NSW Police Force, and NSW State Recovery Coordinator, sworn and examined

ALEX KING, Executive Director, Resources Policy, Planning and Programs, Department of Planning, Industry and Environment, affirmed and examined

MARGARET PRENDERGAST, Executive Director, Disaster Recovery Office, Department of Communities and Justice, sworn and examined

REBECCA JANE FOX, Deputy Secretary, Regional NSW, Department of Planning, Industry and Environment, affirmed and examined

SCOTT HANSEN, Director General, Primary Industries, Department of Planning, Industry and Environment, on former oath

GARY BARNES, Coordinator General, Regions, Industry, Agriculture and Resources, Department of Planning, Industry and Environment, on former oath

CHRIS HANGER, Executive Director, Regional NSW, Department of Planning, Industry and Environment, on former oath

KYLIE BELL, Executive Director, Trade and Investment, NSW Treasury, on former oath

ANTHONY KEON, Executive Director, NSW Resources Regulator, on former oath

NICK ROBERTS, Chief Executive Officer, Forestry Corporation of NSW, on former oath

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 12.00 p.m. with the Minister until 11.00 a.m., to allow him to attend a press conference, and from 1.00 p.m. to 4.00 p.m. with the departmental witnesses. Minister, we would hope that you could maybe return half an hour after the press conference. I declare the proposed expenditure for the portfolio of Regional New South Wales, Industry and Trade open for examination. As there are no provisions for any witnesses to make an opening statement we will begin with questions from the Opposition.

The Hon. ADAM SEARLE: Good morning, Deputy Premier. You have indicated your support and the support of your National Party for the One Nation legislation to remove the ban on uranium mining and the operation of nuclear facilities here in New South Wales. Does that remain your position?

Mr JOHN BARILARO: The position of the National Party at last year's conference—this is from our grassroots members—is that they voted for nuclear energy being part of the energy mix going forward. As the leader of the New South Wales Nationals my job in the Parliament is always to advocate on the policies that our party stands for, no different to the Labor Party: you have policies that you believe in, that you bring and advocate for in the Parliament. For me, nuclear energy has been something that I have been speaking about for a number of years. There will be a process that we will go through in both party room and Cabinet in relation to our response to the One Nation bill.

The Hon. ADAM SEARLE: So you do understand that you are bound by the doctrine of ministerial solidarity.

Mr JOHN BARILARO: At the end of the day, you probably see it through the lens of the Labor Party, the National Party is a grassroots party that has the ability to make decisions on what is right for our regions. We are not bound by factions, we are not bound by a whole range of restrictions within the party; we allow people to have freedom of view and opinion. We will deal with this issue, but there is still a Cabinet process to happen and we will see what happens after that.

The Hon. ADAM SEARLE: With respect, this is not about your party's official position. You have said on television that you and your party will be voting in the Parliament for this legislation. Now you are saying that there is a Cabinet process. Have you got a position for your party or not?

Mr JOHN BARILARO: When you say the "party", the New South Wales—

The Hon. ADAM SEARLE: You said you are voting in the Parliament for this legislation.

Mr JOHN BARILARO: That is right. I said on a Sky interview that the National Party will support the One Nation bill. I have since then had to pull that back to the point where I will have to go through the National Party room, the parliamentary team, before we get to that position, and I have said that since that statement. But

our party position, as in the National Party, the position is about technology agnostic and that includes nuclear energy.

The Hon. ADAM SEARLE: So you have now walked back your earlier statement. You are not committing to vote for it in the Parliament?

Mr JOHN BARILARO: What I am committing to is advocating for a policy that the party stands for and let us see what happens when we get to the floor of the Parliament.

The Hon. ADAM SEARLE: Do you support a nuclear reactor being located in the Upper Hunter, like the local member?

Mr JOHN BARILARO: Again, we are ahead of the curve when we talk about the possible sites in the future. The only matter that has ever been released is from a climate change group, a climate change for nuclear association. I think the gentleman that led it was the Labor Party candidate in 2011 for Goulburn. So the only map that is out there at the moment is the map that technically a former Labor candidate has put out. No-one is talking about locations because we are talking about technology that is still in its design stage. If we are looking at the next decade, if we are looking at technology agnostic, small modular reactors—the iPhone of reactors is what I call them. It is not Fukushima or Chernobyl. It is not the Simpsons episode; hopefully it is what Lisa will drive in the Simpsons 2.0: small modular operators that are safe, reliable and put downward pressure on cost and, more importantly, give us clean, free emissions.

The Hon. ADAM SEARLE: Just on the iPhone of nuclear reactors, you are aware that they do not exist anywhere in the world at the moment. They are still in the experimental stage.

Mr JOHN BARILARO: So is hydrogen, so is battery storage, so is a range of different technologies in the energy space.

The Hon. ADAM SEARLE: Yes, but they do not have the nuclear waste problem that reactors create.

Mr JOHN BARILARO: Nuclear waste is, again, an area where companies like TerraPower—that is a company that Bill Gates has a share in—is working towards new technology in relation to what you do with waste. Did you know that most of the fuel that is used in reactors at the moment is actually recycling uranium or fuel from previously warheads? At the end of the day—

The Hon. ADAM SEARLE: That is very reassuring.

Mr JOHN BARILARO: —as technology advances we all know that the issue of waste will also be managed no different to waste being buried in places like the Champagne region of France.

The Hon. ADAM SEARLE: So you are advocating for a technology that does not actually operate anywhere in the world?

Mr JOHN BARILARO: That is not correct because the technology companies like NuScale, the Argentinians and the Russians, will probably have small modular reactors on the market within the next two to three years.

The Hon. ADAM SEARLE: Probably, but they do not at the moment. That is the point.

Mr JOHN BARILARO: They will. There is no question they will. Rolls Royce has announced—a company that has been around for a long time—that they are in the space of small modular reactors. I am advocating for a technology that we know is on the horizon. As a nation we should be part of that conversation and debate and allow the Australian people to be part of that, and as a leader in government, in politics, we should not hide because it may be politically sensitive around an election cycle to talk about nuclear energy, but talk about a technology that deals with the crisis that we are dealing with today—that is, climate change.

The Hon. ADAM SEARLE: Have you had any discussions with any of your colleagues who are interested in having nuclear facilities in their electorates?

Mr JOHN BARILARO: Again you are going to the principle of where these particular reactors could be.

The Hon. ADAM SEARLE: Surely if you want to know whether you can do something you have got to know where you might be able to locate it.

Mr JOHN BARILARO: Absolutely. When you look at where existing coal-fired power stations are, where there are generators, it is a possible site, but the advantage of small modular reactors is you do not need

them anywhere near the ocean, you do not need water; they can be air-cooled, gas-cooled. We are looking at new technology. Can I put on the record that during the election campaign from the failed Labor candidate in the Monaro, Bryce Wilson, at every single forum he raised the issue of nuclear energy. He asked me in my own community, "Would you rule out a nuclear reactor anywhere in the Monaro?" and I said "No, I'm not a hypocrite" but at the same time "Let's see where and when the technology hits the market, and then when and where it would be applicable."

The Hon. ADAM SEARLE: So, to be clear, you have not had discussions with any of your parliamentary colleagues as to whether they do or do not want those facilities in their electorates?

Mr JOHN BARILARO: No, no. I have spoken to my parliamentary colleagues who talk about nuclear energy. It was debated at a conference with my parliamentary colleagues and the party will have a future conversation. Again, you are doing exactly what we expect from Labor: a fear and misinformation campaign to scare people because you guys do not have the guts and the courage to talk about the issue of the day, which is climate change, and to use a pragmatic and practical approach to dealing with emissions. You would rather play the fear campaign. If that is what you want to do, keep going.

The Hon. ADAM SEARLE: No. I am just asking you some questions and you are seeming to be very defensive, Deputy Premier.

Mr JOHN BARILARO: No, I am not. I am very comfortable—

The Hon. ADAM SEARLE: You are.

Mr JOHN BARILARO: For three years I have been in the public domain talking about nuclear energy—I have not even ruled it out in my own electorate. There you go—there is your press release of today. I cannot wait to see it. I will get on ABC straight after.

The Hon. ADAM SEARLE: Mr Johnsen, for example, seems to think you can buy one of these small modular reactors off the back of a truck, put it in the middle of a paddock and just plug it in. Is that your understanding?

Mr JOHN BARILARO: Small modular reactors [SMRs], companies like NuScale will be building their reactors in a factory environment—they are not going to be built on site; in modules, in small modules, and then delivered to site.

The Hon. ADAM SEARLE: And which paddock in the Upper Hunter do you think you and Mr Johnsen want to have it?

Mr JOHN BARILARO: Where those sites are, if you want to replace a dirty coal generator with a clean, free emission carbon-free piece of technology like your iPhone rather than playing a smear campaign, a fear campaign, I encourage you to learn a bit about SMRs.

The Hon. ADAM SEARLE: You know that SMRs are likely to be 30 per cent more expensive than current nuclear technology, do you?

Mr JOHN BARILARO: No, not at all. Rolls Royce came out—

The Hon. ADAM SEARLE: You have not looked at the report of the Department of Industry—

The Hon. TREVOR KHAN: Point of order—

Mr JOHN BARILARO: —and said they could deliver small modular reactors for the same price as a coal-fired generator—around \$2.7 billion. Again, you would argue that battery storage, wind, solar panels, that that price will come down as production and scale increases, but when it comes to nuclear you are saying, "If you can produce small modular reactors in a factory environment and scale up production, costs will rise." You are just a hypocrite.

The Hon. ADAM SEARLE: Well, no.

The Hon. TREVOR KHAN: My point of order, Chair, is the one that you anticipate. We are getting to a point where courtesy is not being shown to Hansard. The member is entitled to ask a question but the Minister is also entitled to answer without interruption. If we do that, Hansard will be able to record it. I ask that the member slow down.

The CHAIR: Which member?

The Hon. TREVOR KHAN: That one.

The Hon. ADAM SEARLE: We know who he is talking about. Deputy Premier, we know that the cost of wind and solar is going down every year, dramatically, but the cost of nuclear technology is not on current trends. The most recent Bloomberg energy outlook has new installed nuclear technology power costing something like \$325 a megawatt hour. If that was replicated here that would mean that energy costs from nuclear power would be 500 per cent more expensive than current coal-fired power. Is that the future you are looking to—more expensive energy in New South Wales because the cost trends are going up, not down presently?

Mr JOHN BARILARO: Not at all. Again, coming from a member of a party that saw energy prices skyrocket on their watch, I find that—

The Hon. ADAM SEARLE: It has gone up over 60 per cent on your watch, so let's just answer the question please, Deputy Premier.

Mr JOHN BARILARO: But I am prepared to look at technology. As the technology around solar panels and wind farms—and new technology on the horizon, like hydrogen and investment in hydro; all of those investments—if there is scale behind it we will see downward pressure on the cost of installation, the cost of delivering power. But you also have other parts of it and other components around it, especially baseload. You, again, are cherrypicking reports that will give you your argument. Guess what? I can cherrypick reports across the globe that talk about that SMRs can be affordable and put downward pressure, and on par with delivering energy as solar and as wind.

I am not anti-renewables. I am not anti solar or wind or hydro because I have seen a large investment in my own electorate with wind farms, solar farms and of course Snowy 2.0. So the reality here is about making sure we have a firm baseload provision in our generation post coal, post gas, and nuclear energy gives us that opportunity. And there are clear reports modelled across the globe, like Rolls Royce, who say they can deliver small modular reactors at a price point that is on par with, if not better than, what is available today.

The Hon. ADAM SEARLE: Okay. Can I ask you to produce for the Committee some of those reports because the reports that I have seen show that the cost of nuclear technology, including SMRs, is trending upwards, not downwards? This is in the real world, not some hypothetical future possibility.

Mr JOHN BARILARO: You talk about a hypothetical future; a minute ago you were trying to say SMRs are the unicorn of reactors—

The Hon. ADAM SEARLE: No. I said—

Mr JOHN BARILARO: And now you want me to produce something that actually verifies the cost of it. You are not being clear at all.

The Hon. ADAM SEARLE: I am.

Mr JOHN BARILARO: You either believe in SMRs or you don't.

The Hon. ADAM SEARLE: We know SMRs do not operate anywhere but you say you have seen reports that say that they can be produced more cheaply. So I would like you to produce some of those reports because I am not aware of them.

Mr JOHN BARILARO: Okay.

The Hon. ADAM SEARLE: The reports I have seen indicate SMRs are likely to be more expensive than current nuclear technology. The other reports I have seen show that nuclear technology is getting more expensive, not less expensive.

Mr JOHN BARILARO: But when it comes to wind and solar, it is getting cheaper.

The Hon. ADAM SEARLE: That is the trend. That is the actual lived experience.

Mr JOHN BARILARO: But you are talking about an industry that does not exist yet because SMRs are not being built. If they are being built at a level of production and scale that we hope to see, and hopefully Australia will be at the heart of the industry.

The Hon. ADAM SEARLE: There are two issues, Deputy Premier. Don't be obtuse. One, is we know SMRs do not exist.

Mr JOHN BARILARO: They are in planning.

The Hon. ADAM SEARLE: Two, we know existing nuclear technology is getting more expensive. But if you say you have seen a report—if you say this—that says some companies say they can make SMRs more cheaply, we would be interested to see those.

Mr JOHN BARILARO: Have you seen the iPhone 12 yet?

The Hon. ADAM SEARLE: Do not be ridiculous.

Mr JOHN BARILARO: That is not out, is it? But you are going to believe there is an iPhone 12 coming because iPhone 11 exists.

The Hon. ADAM SEARLE: Yes, but you know it is going to be more expensive than the last iPhone.

Mr JOHN BARILARO: No, I do not know that. You cherrypick the information that suits your argument, that is all.

The Hon. ADAM SEARLE: No, I just go off the lived experience in the real world.

Mr JOHN BARILARO: You are true to form: the fear and smear and mistruth campaign of the Labor Party.

The Hon. ADAM SEARLE: Let us see if you can produce the reports.

Mr JOHN BARILARO: Let us see if you can stop talking fiction and go to the facts.

The Hon. PETER PRIMROSE: I ask a question in relation to employment in regional New South Wales. Given the decision of the Federal Government that has been confirmed by the Minister for social services to not fund equal pay for workers in the social and community services sector beyond December 2020, what modelling have you done on the impacts of the cuts to community and support services in rural and regional New South Wales and on the reduction in jobs in the community sector?

Mr JOHN BARILARO: Your question is about jobs in regional and rural New South Wales. If you look at the data that we have seen right across the board and the investment by the New South Wales Government around the investment in infrastructure and our regional growth programs through Growing Local Economies [GLE] or our Stronger Country Communities Fund, as of December last year you saw somewhere close to 38,000 new jobs created in regional and rural New South Wales—the largest number of jobs in the regions than any other regional area of Australia. Something we are very proud of is the stimulus that we have put in behind growing jobs in the bush. Your question refers to an equal pay question from the Federal Government, which is out of my jurisdiction. I think that is a question for someone else.

The Hon. PETER PRIMROSE: The largest employer in regional New South Wales is under the title Health Care and Social Assistance. We are well aware that the census of 2016 showed that that accounted for 14½ per cent of support and assistance; those jobs have continued to grow. The best estimate of the Australian Council of Social Service is that we are now going to see a 40 per cent reduction in not only those services but also obviously the employment opportunities.

Mr JOHN BARILARO: This is a question I will take on notice.

The Hon. PETER PRIMROSE: Please take on notice and I would welcome any advice.

Mr JOHN BARILARO: I appreciate that.

The Hon. MICK VEITCH: Morning, Deputy Premier, and all the people sitting 1½ metres apart from each other in the room. I have a series of questions around the fire recovery. Deputy Premier, in the initial phase after the fires people were asked to register on a government website and, based on that, I gather there have been some decisions made around how to roll out the cash and other support mechanisms. Some people are saying that they were denied or have not heard back. Certainly, you have been hearing this as well—

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: Is there a plan to go back and revisit the original decisions on a lot of these people in small businesses to see if maybe they were inappropriately or inaccurately assessed?

Mr JOHN BARILARO: Yes. Last week when we re-announced the small business package by the Federal Government with the changed guidelines and the additional category of \$10,000 for indirectly affected businesses, I said on the day that all those applicants that had gone through originally—about 850 plus have applied for support through the program—that we would now go back. As of Friday last week, Service NSW personnel have been contacting businesses that had previously applied and we will reassess them under the new

criteria for this additional information that we require. We will do that. As of last night, I understand at 1 o'clock when it opened, the \$10,000 grants, something like 220 new businesses have applied. Yes, of course, we want to make sure that everybody that is entitled to a level of support, especially businesses, do get that support.

The Hon. MICK VEITCH: I am not being critical but this has been raised with me this morning from someone down my way. They want assurance that the Government is not going to leave them behind or forget about them now that the coronavirus is clearly taking everyone's attention, quite rightly. They want an assurance from you that they are not going to be left behind.

Mr JOHN BARILARO: No. One of the things that keeps me up at night is that people fall through the cracks, businesses are left behind and we often, as governments, move on to the next crisis or the next campaign. For me, I have really set aside a lot of my other ministerial responsibilities just to focus on the recovery. Last week I was in Merimbula, Talbingo and in my own electorate. On the weekend and on Monday I was back in Bega, Eden and Cobargo and met with farmers. A couple of weeks ago I even decided to go and do a drought tour because I thought that the people in the community maybe felt that we had moved on from drought. No, my message is clear today that we have not forgotten you and we will not forget you. My job as the recovery Minister is to make sure that with the team that I have got, with Mick Willing, and the team on the ground, to make sure everybody gets the support, the clean-up with Laing O'Rourke by 30 June. No, you will keep hearing me popping up all across the board in relation to the recovery piece.

The Hon. MICK VEITCH: So the people who have registered as per the request, have they been advised about how they can make a contribution to the taskforce that has been set up by the Government? How can they feed into the deliberations of the taskforce?

Mr JOHN BARILARO: No. I do not think so. Our job is the recovery and the role of recovery is to get people back on their feet—to clear blocks of land, to make sure they get all the support they can from emergency accommodation, temporary and permanent accommodation and we support them in every possible way. The commission of inquiry to which you are referring is important to learn from every crisis and disaster. They will report back later this year. They are on a tour of the regions. I understand they were up in the Northern Tablelands electorate last week and they have been holding community meetings. Can I say that everywhere I go people are raising the issues that they face, and I always encourage them that this is a commission of inquiry to which they should be make a submission.

The Hon. MICK VEITCH: The database that has been created where people have gone in, would it not have made sense even just to send out an email to those individuals saying that there is an inquiry, feel free to make a submission.

Mr JOHN BARILARO: I do not think that is our role. The commission of inquiry is something you do because it was such a significant crisis. We have had deaths and we have had a significant loss of property and close to 2,500 homes and 10,000 other properties impacted. My job is to make sure we get people back into today. The commission of inquiry and its recommendations—I encourage everybody but I do not think it is appropriate that we use the database to reach out to people to make a submission. People are still struggling with facing the reality that they have lost their block of land, they have lost the memories, they have lost their homes. Some families, like the Salway family down in Cobargo, have lost family members. I refuse to even consider that we are going to use a database to try to push people to put a submission into an inquiry. They all know that there is an inquiry. There will be more noise around it. There will be more advertising, I assume, around it and they will have an opportunity. But I do not think it is appropriate for our agency to use the information we have received, or the database we have, to push an issue that is actually beyond my remit as the recovery Minister just to get people back on their feet.

The Hon. MICK VEITCH: What was the process that was followed for the appointment of Laing O'Rourke?

Mr JOHN BARILARO: There was a tender process. We went to the market and they were the preferred partner for the New South Wales Government because we accepted and understood it had the ability and the reach right across the board. I know what they put forward was in line with where government wanted to be. We have got to allow subcontractors at a local level to be part of the clean-up. So we are stimulating the local economy. About 1,000 of those subcontractors have been part of the procurement process. That is important for us. We have given flexibility for landholders to scope their work. We have got examples where we are running metal detectors over someone's home that has been burnt to the ground to find a wedding ring or the clean-up is to make sure that we preserve the pizza oven that a father and son have built. They are the things that we put at the heart of

everything. Laing O'Rourke's tender was appropriate. But I am more than happy to refer to someone else. Mr Barnes can give you a more detailed answer?

Mr BARNES: It will be Rebecca Fox.

Ms FOX: We ran a tender process that was accelerated but in accordance with as many procurement policies as we could at the time. So we ran an expression of interest first. We gave seven companies, I think, potentially eight, about 24 hours to put in an expression of interest. We analysed those in accordance with evaluation criteria that we clearly set out before we went out to market. We then selected three of those companies to put in a tender. They had about 48 hours to put in a detailed tender. We evaluated those. We did that whole process within about 14 days and negotiated a contract over the long weekend. The team did an outstanding job. That was a very quick procurement process that I am very comfortable with. Laing O'Rourke were clearly the preferred candidate in that space, the preferred tenderer.

Mr JUSTIN FIELD: I want to ask some questions about forestry. What are the hazard reduction targets for the two million-odd hectares of State forests of the Forestry Corporation?

Mr JOHN BARILARO: I will refer that to Mr Roberts.

Mr JUSTIN FIELD: Are you not aware of the targets?

Mr JOHN BARILARO: No.

Mr JUSTIN FIELD: Did the Forestry Corporation meet its targets last year?

Mr JOHN BARILARO: I will refer to Mr Roberts who is the chief executive officer of the Forestry Corporation.

Mr JUSTIN FIELD: But I understand, Minister, that you are in the media saying that the New South Wales National Parks and Wildlife Service is ideologically opposed to hazard reduction burning, they have set arbitrary targets, who sets them up, probably our own agencies, they are ideologically opposed. Are you not aware of the targets that the Forestry Corporation has, for which you have some responsibility?

Mr JOHN BARILARO: I know that the Forestry Corporation allows grazing. I know they have their own targets and they manage their estate in a way that is in accordance with what is required.

Mr JUSTIN FIELD: Have you asked the Forestry Corporation about whether it has been meeting the targets? What actions has it taken to ensure they are reducing them?

Mr JOHN BARILARO: You can ask that question right now to Mr Roberts, the chief executive officer of Forestry Corporation.

Mr JUSTIN FIELD: No, I am asking about what you have done.

Mr JOHN BARILARO: Mr Field do you want to play politics? Do you want an answer or do you want to play the game?

Mr JUSTIN FIELD: You are the one out there publicly having a go at the National Parks and Wildlife Service for not meeting targets when we know they have.

Mr JOHN BARILARO: Absolutely.

The Hon. TREVOR KHAN: Point of order—

Mr JOHN BARILARO: Have you been travelling across the State and understand, off the back of this fire, what people think of national parks as a neighbour? The worst neighbour possible. Why? Because it has not managed their fuel lands. Have you actually been down the coast? Have you been to the regions where the fire has impacted? Let us wait for the commission of inquiry and I think you will be alarmed about the attitude of our communities against National Parks.

Mr JUSTIN FIELD: So you are not aware, Deputy Premier, that the target of the Forestry Corporation for hazard reduction is about half of the National Parks and Wildlife Service?

Mr JOHN BARILARO: Oh, wow. But what about the estate? What is the size difference of the estate, Mr Field?

Mr JUSTIN FIELD: No, I am talking about half of their percentage target, not half of the total area.

Mr JOHN BARILARO: Let us ask Mr Roberts.

Mr JUSTIN FIELD: So you are not aware of that?

Mr JOHN BARILARO: Can we ask Mr Roberts who is here? Do you want an answer or do you want to play politics?

The Hon. TREVOR KHAN: Point of order—

Mr JUSTIN FIELD: We will have time with Mr Roberts.

Mr JOHN BARILARO: No, you should ask Mr Roberts.

Mr JUSTIN FIELD: We will have time this afternoon.

The CHAIR: I will hear the point of order.

The Hon. TREVOR KHAN: My point of order is that the Minister is here. He is entitled to answer the question as he chooses to, including referring to one of the public servants who has been sworn in. My good friend here has been repeatedly interrupting the Minister as he sought to answer the question by referring it to another witness. I would ask that he be entitled to do as customarily the Minister is entitled to do—that is, refer it to another public servant.

Mr JOHN BARILARO: Exactly.

Mr JUSTIN FIELD: I am happy to take those questions into the afternoon session to speak with the Forestry Corporation.

The Hon. TREVOR KHAN: Really? I would ask you to rule.

The CHAIR: I was just about to interrupt Mr Field. It is customary that the Minister can direct a question as he or she sees fit. But it is also a custom that the member asking the question can seek further clarity from the officials in the afternoon. I would ask for there to be civility about the argy-bargy between members in terms of whether we answer the question now or defer it later.

Mr JUSTIN FIELD: I am happy to move on.

The CHAIR: I am happy to move on as well. Can we keep it a little more civil and less back and forward.

Mr JOHN BARILARO: Mr Chair, can I ask the question. Am I entitled to refer to an official, yes or no, for an answer ?

The CHAIR: Yes, you are.

Mr JOHN BARILARO: This is an estimates hearing seeking answers to questions. You cannot ask a question of a Minister who then refers it and then play the game that we will leave it until later in the afternoon. Then he should leave the question until later in the afternoon in the first instance.

Mr JUSTIN FIELD: Perhaps you should leave the public commentary until you know the facts.

The CHAIR: I suggest we move on because you are wasting your question time.

Mr JUSTIN FIELD: Deputy Premier, how many of the fires over the last fire season started in State forest, do you know?

Mr JOHN BARILARO: Again, we have seen 5.5 million hectares of land burnt, estates burnt, from pine plantations, forestry and national parks. I cannot tell you what the final figure is, no.

Mr JUSTIN FIELD: But you are aware that the Currowan fire on the South Coast burnt most of the area around my place, that started in the Currowan State Forest. I believe it was actually some forestry contractors that were some of the first people to flee from that fire. I understand it started in an active logging coup, is that correct?

Mr JOHN BARILARO: I do not know. It is a question you have asked.

Mr JUSTIN FIELD: Mr Roberts, is that correct?

Mr ROBERTS: From what I understand, that particular fire started from a lightening strike on the boundary between national park and State forest. It did not start, as we understand it, in an active harvesting coup.

Mr JUSTIN FIELD: What investigations are underway to ascertain where those fires started, do you know?

Mr ROBERTS: The RFS has a comprehensive mapping tool called ICON and it has lightening tracking systems. The original situation reports [sitreps]—whenever a major fire is started, there is an initial sitrep, which would relate to where and how it is believed the fire may have started and that is where the information would reside for all of the fires over the last season, of which I think there are about 1,100 different fires across New South Wales.

Mr JUSTIN FIELD: Will there be any information released either through the inquiry that is happening at the moment, Deputy Premier, or internal work that is being done through Forestry Corporation with the RFS about where each of the fires started, how they started and getting an assessment of the contribution of the different areas of land tenure to the impact of the fires?

Mr ROBERTS: If I can keep going. I think the commission of inquiry will obviously be looking at those particular elements. We, as a matter of course, after every fire we do what is called an after action review. We do an internal after action review where we bring all of the people that we have had involved in the firefighting effort to talk about the experiences, what was seen, what we learnt through the process, what went well, what did not go so well. We prepare those reports internally. I have to say, some of those will be a little bit held up due to the COVID-19 crisis. We have had to cancel some this week. We do that internal process and we also bring in expertise from an external consultant with particular firefighting capability. They come back in and they do after action reviews for us at an independent level. So, there are the three levels of investigation—our own internal, our own external and then there will be the commission of inquiry.

The Hon. EMMA HURST: Deputy Premier, as the Minister responsible for disaster recover, does that include anything to do with animals, the loss of animal life or the support of people caring for animals?

Mr JOHN BARILARO: No, the Minister for environment is looking after that. But domestic animals, if that is the question?

The Hon. EMMA HURST: I meant more broadly as to any animals.

Mr JOHN BARILARO: The package in relation to what we do with the loss of a significant amount of wildlife in our parks, in our forests, the Minister for the environment oversees that. My job as the Minister for recovery is dealing with the now, which is really getting some level of normality back to communities, individuals, families, industry and business so that we can function as a community.

The Hon. EMMA HURST: Did you say that that might include something to do with companion animals?

Mr JOHN BARILARO: Yes, we do, do a level. I should ask Mr Scott Hansen that question.

Mr HANSEN: As I think we talked about in Minister Marshall's hearings, we would play a role in the immediate situation of providing safe places for animals to be evacuated to. In addition, we then provide fodder drops of emergency fodder and emergency water for livestock. We continue to monitor animals at those safe places until they have a safe place to return to. If you have not received on notice or read the questions on notice with regard to those fires we talked about in the last hearing.

The Hon. EMMA HURST: Yes. Minister, you recently announced that the Government will be providing funding for up to \$5,000 to country and agriculture shows as part of the bushfire relief. With the cancellation of the Royal Easter Show and other events, will that funding and activity still be going ahead?

Mr JOHN BARILARO: We have already had a number of shows that we have funded, as a number of shows have cancelled. We will hold those funds and we will rollover for next year. We need to support our country shows. Our country shows are an opportunity for regional and rural communities to come together, especially at time of drought, at time of fires. You could argue it is a community resilience program where sometimes in the bush because of the tyranny of isolation, people are living in their own properties away from neighbours, dealing with the mental strain of what they are facing and the emotional strain.

Our shows are so important. They are more than just showcasing produce or our livestock or running events. They are about bringing communities together. They have been at the heart of our regions forever and a day and they will continue to be the heart of our regions in the future. If there is ever a time that we need community resilience, community coming together, like country shows, it is now. But unfortunately because of COVID-19 our shows are being cancelled across the board. The Royal Easter Show is a pinnacle point of the calendar year for our country shows.

The Hon. EMMA HURST: Will there be something to replace the agricultural shows to support people in regional areas, given that these are now on hold for a year?

Mr JOHN BARILARO: At the moment the advice in relation to coronavirus is that we do not want gatherings, we do not want people to come together. I have got an event in my own community this weekend at a place called Nerriga which is just a thank you from the community to the RFS volunteers that fought the fires of Nerriga where we lost 20-plus homes. But we have had to cancel that event. We have got to take this seriously. Even though the advice is for events with over 500 people, we have got to use common sense. Where there is no need or no urgency for a gathering, we should not. At the end of the day what we will do is get through this crisis. At the end of this crisis I am happy to turbo charge opportunities to showcase the bush, the regions through shows, events, community resilience programs and especially thank you get-togethers for the RFS for the wonderful work they did over the fire season.

The Hon. EMMA HURST: I know the Hon. Mick Veitch has already asked about assurance on this, but my question is broader, around what challenges have come up. Obviously this one that we are talking about now with the moving of the funding to next year is one of those challenges. How is the coronavirus affecting the bushfire recovery efforts more generally?

Mr JOHN BARILARO: We are in early days, but it does. Again, we are working towards making sure people are looked after, families are looked after. When we have even our community meetings, we are bringing a number of people together, this will hamper the opportunity to ensure we can engage with the commission of inquiry as it travels across the regions. We have got to be mindful of bringing people together. At the end of the day, we are focused on the bushfire recovery. That is getting people into homes, blocks of land cleared so they can start dreaming of a future and hoping for a new future, to start rebuilding new memories. We have got to rebuild industry and support businesses so that we do not fall over.

Yes, the coronavirus brings another level of impact on our small business and our economies. If it was not the drought, it was fires, then floods and now coronavirus. If the locusts turn up, it will be of biblical proportions. But we are resilient. We will keep fighting and we will keep working. I have not stopped my travels. I still attend all these community events as I have done over the weekend and all of last week, ensuring we do not lose focus. We have got a major task ahead of us. This is not a program for weeks or months, this is for the next few years, we are going to be working on recovery and rebuild.

The Hon. EMMA HURST: Deputy Premier, last time at budget estimates I asked you about the western Sydney Aerotropolis and whether there was any consideration given to allow the live export of animals by planes. You said that at this stage you were not sure that anything was being considered. Do you have any update on that situation?

Mr JOHN BARILARO: No, sorry, I do not. Unfortunately, I have been consumed by the fire recovery. Happy to take that on notice again.

The Hon. EMMA HURST: Yes, please. Thank you. The New South Wales branch of the Australasian Meat Industry Employees Union has strongly opposed the live export of animals, not on animal welfare grounds but because it takes away jobs from local meatworkers. Are job losses in regional areas something that you would factor in if you were going to consider supporting the live export of animals from this new aerotropolis?

Mr JOHN BARILARO: Again, I do not know what is going to happen at the aerotropolis. I do not see how it will become a point where there is going to be live export of cattle. I just do not think the infrastructure will be in place, but we will take all consideration to protect businesses, industries and jobs in Australia. I think, let's be honest, with coronavirus, we have come to a time now where, as a globe and as a country, we have to rethink globalisation, free-trade agreements—we are going to have to rethink the way we trade. How resilient we can become as a nation is becoming manufacturers again. Off the back of this crisis, I think there is going to be opportunity as a nation. I think a lot of nations are going to look at themselves and, once upon a time we talked about borders, but, I think we are going to be looking at our borders in a different way going forward.

The CHAIR: Deputy Premier, on the 27 February this year you put out a media release on the NSW Nationals letterhead stating you called for a royal commission into the Murray-Darling Basin Plan and a national water register. Does the New South Wales Premier support that position?

Mr JOHN BARILARO: Absolutely.

The CHAIR: Why did it not come out on a New South Wales Government media release rather than a National Party media release, then?

Mr JOHN BARILARO: Because we really wanted to brand it so we showed the Shooters that it was the Nats that were leading the argument.

The CHAIR: I am glad we are cracking jokes this morning.

Mr JOHN BARILARO: I met with Speak Up 4 Water as a leader of the National Party. But, most importantly, you saw it yourself—regardless if it came out on National Party letterhead, I have every right to do so. One of the things that I am going to do more of is promote our brand. We are the National Party. There is no party called "the Coalition".

The CHAIR: What have you done since making that announcement? Because you seem to have had more positions on this issue than the *Kama Sutra*.

Mr JOHN BARILARO: Not really.

The Hon. TREVOR KHAN: You're well read.

The CHAIR: I am well read. What have you done since the 27 February? Have you met with the Federal Minister?

Mr JOHN BARILARO: Mr Keith Pitt?

The CHAIR: Yes, have you met with him to discuss—

Mr JOHN BARILARO: Absolutely. I have met with Mr Keith Pitt, I have written also to the Federal Government, I have also met with—

The CHAIR: What was their response? Because we know that it has to come from them.

Mr JOHN BARILARO: Of course. But we are promoting—and no different to your position that the Shooters promote—the idea of a royal commission. The question is, what have you done?

The CHAIR: Were they supportive?

Mr JOHN BARILARO: I am not going to disclose the conversations I have had with the Federal Minister. At a time when it is appropriate those conversations or any announcements could be made.

The CHAIR: You support a national water register. Would you support our bill which brings that into a State level?

Mr JOHN BARILARO: Cabinet and has to consider that bill—it has to go through the party room.

The CHAIR: As the NSW Nationals?

Mr JOHN BARILARO: I think, more importantly, we support the idea of a national register and we should not water it down by trying to go down another path. We have supported exactly what Speak Up 4 Water has wanted. We supported the petition by Helen Dalton, who is the Shooter's member for Murray. That has made it absolutely clear. I think we should never water down the idea that we want a national register. Borders mean nothing when it comes to the water. This is at the heart of what we are facing with the Murray-Darling Basin Plan—that somehow an invisible border determines what one side gets and what the other side gets.

It is the same river system, it is the same water and we have to stop talking borders. We actually have to stop talking basins—north versus south in New South Wales. We have to fight for what is right for the State. We will do that. But, in relation to a national register, we said we would support it, we want to see transparency and there is a lot to be said in this space.

The CHAIR: Okay. So, your view seems a bit different from the water Minister. Last week she said that she was not really supportive, she was waiting to see from the Australian Competition and Consumer Commission review. It seems that you guys are a bit mixed.

Mr JOHN BARILARO: Not really, because, again, the water Minister, who is responsible, will look through all the detail. But, in the intent, just like you guys, we have supported the position of a national water register. We have seen, for instance, the national irrigators, who have said they are supportive to a point there—they are concerned about you actually achieve it. They believe it could be a decade before you actually get there. I think we have to be pragmatic about it. Do we want a national water register? Yes, we do. How do we get there? That plan is still an idea, more so than a way forward. A petition by you guys in the House has started a conversation—congratulations. But there is a long way to go in this space.

The CHAIR: In relation to your focus towards the planning policy on koalas that was just announced—and I know that you are the lead Minister and you can feel free to shift blame—

Mr JOHN BARILARO: The lead Minister?

The CHAIR: Well, you are the lead Minister for this cluster, so any question—

Mr JOHN BARILARO: No, I am not. State Environmental Planning Policy [SEPP] 44—I am not the lead Minister for the cluster. Rob Stokes is the cluster Minister. I am the Deputy Premier. I sit in that—

The CHAIR: Well, Planning Industry and Environment. Well, I will ask questions about your role in it.

Mr JOHN BARILARO: Yes, go for it. Absolutely.

The CHAIR: Let's have a crack here. There was a final report in 2014 by the Independent Biodiversity Legislation Review Panel that noted any reforms in this space must strongly consider any economic and social impacts. Why has this not occurred with this policy?

Mr JOHN BARILARO: At the end of the day I have my own concerns with SEPP 44 in relation to what it does. That is why we sought four and received the four-week extension on consultation so we can actually get the impacts that this will have on industry. We are relying on maps that have now been released. Those maps, in my mind, are wrong. Like under the biodiversity legislation, the maps got it wrong. They are spatial maps that are not ground truth and my concern is that it will actually impact on farms, it will impact on industry and the opportunity for development in regional and rural New South Wales. I have concerns with SEPP 44. Do we want to do better in protecting the koala population in this State? Of course we do. Do we want to make sure that we recognise where there are koala habitats? Of course we do. That is why we identified the 10 species of trees and it has been increased to around 130, but there are a whole heap of other factors.

But, right now, my concerns are that this SEPP 44 could actually trump what is under the biodiversity legislation and the maps are not going to work and I would like to see the maps switched off. I think RU1 and RU2 zoning should be exempt. Of course, decoupling of private native forest is important, because we want to protect our private native forest industry. There is a long way to go in this space. I have written to the Minister for planning, who is responsible for the SEPP 44 in relation to this issue. Post-fires it is a new world out there. I do not believe that there is an appetite in this community that we do not do more to support our koalas but, at the same time, that we actually look after industry. So, I think we are on the same time, Mr Chair, but this will go through consultation period and let's see where we land.

The CHAIR: The extension of four weeks, is that not just for the guidelines, or is it for the whole policy? Because looking at the website it talks about that comment on the guidelines from the 2nd to the 30th. I am a little bit bemused that we are writing the guidelines after the policies have essentially been gazetted and implemented on the 1st, and we are now creating the rule book.

Mr JOHN BARILARO: The Minister for planning has every right to put in place a SEPP in relation to koalas and that is what SEPP 44 does. He has every right to do that, but he has given us a consultation period in relation to the guidelines. Right now there is a lot of ambiguity at a local government level. They want some leadership in this space and we have to find leadership and we have to find a balance. I am confident at the four-week period what the guidelines will refer to. At the heart of the guidelines it does refer to maps that I believe are so incorrect, what you will do is sanitise parts of regional and rural New South Wales from growth. That is my concern and we will continue to fight for that and we will see where SEPP 44 lands.

The Hon. PETER PRIMROSE: Deputy Premier, can I ask you, particularly in your capacity as Minister for industry and trade, at the end of your evidence in relation to a question from Ms Abigail Boyd, you mentioned that we are facing probably a new era in relation to orders and local manufacturing. Can I ask that you elucidate on that? At this early point—and I accept these ideas are still developing—can you please tell us what your thoughts are about how you would promote industry and trade in New South Wales?

Mr JOHN BARILARO: That is a good question and, firstly, it was a question from Ms Emma Hurst, not Ms Abigail Boyd. I just want to correct the record.

The CHAIR: I am sorry, I apologise for that.

Mr JOHN BARILARO: I made a comment there, because, for a long time in this nation we have fought the idea about being a nation of manufacturers—and we have just seen with the decision by Holden, again, another big international company to leave our shores. I have spent my whole life in the manufacturing industry and people keep talking down the opportunity for manufacturing in this country. Yes, we will probably not be manufacturing white goods—toasters and washing machines—in the future. But when it comes to advanced manufacturing, we can be at the forefront of an advanced manufacturing sector.

Off the back of mining we have seen an advanced manufacturing sector grow organically with export-orientated businesses. We have an opportunity to build on it and, what I see now when we are fighting in the aisles of Woolworths for toilet paper, or other sanitary products or the ability for a range of products, I think that Australians, like most countries across the globe, will probably be looking at themselves today and saying, "We can do better. Why can't we manufacture a range of products so that, we can, in times of crisis, look after ourselves?"

That was a comment I just made in this hearing that there is an opportunity for Australia to have a look at our borders again, have a look at the way we look at the free-trade agreements and where the opportunities are there. We are still an export-orientated country. Our food and fibre post-coronavirus will be in greater demand than we have ever seen before. I have said before, we are not going to be the supermarket for Asia, we will be the delicatessen. High-value, quality products that are grown or manufactured in this country will be in high demand because of our clean, green credentials, and there is a huge opportunity.

So, there is an opportunity off the back of coronavirus and, as the Minister for industry—someone who has come out of industry, someone who has come out of manufacturing, who has competed against international and national companies, including imports—there is an opportunity for a nation to go forward. I think I have just started an idea today—let's have the debate, let's have a conversation. I reckon there is an opportunity for all of us.

The Hon. MICK VEITCH: Deputy Premier, I will go back to the fire recovery and disaster recovery.

Mr JOHN BARILARO: Yes, Mick.

The Hon. MICK VEITCH: Earlier you were talking about the number of houses or blocks that have been cleared. Is there a process here—some sort of a key performance indicator [KPI] or a measure about how many blocks have been prepared so people can actually get on with their lives?

Mr JOHN BARILARO: What happens is that Laing O'Rourke issues our team—and I get a copy of it—a three-week running schedule of what is ahead of us. I am meeting with Laing O'Rourke this afternoon as well. We have set ourselves an ambitious target of 30 June to try to get the majority of these blocks cleared but, if you look at the numbers, there are 2,448 homes and 10,000-plus additional properties impacted in one way or another. I have come out of the construction game. You start with the endgame: 30 June is handover. If you were building a house, you would come back and you count the days and weeks. You put in place the processes and right now by the end of the month we will hit a target that I think is on the low side.

But I am confident also that a lot of the ground work and a lot of the work that we are doing now in setting up the systems will allow us to accelerate. At this stage I am comfortable but, Mr Veitch, I cannot guarantee that by 30 June we will achieve everything. We have said it was an ambitious target. There is nothing wrong with having an ambitious target and I am confident with the systems in place. But I am kept up to date daily and if there are issues around waste disposal, if there are issues about procurement or subcontractors on the ground, if there are issues about letting your family member spend time on the block of land because they are trying to find some precious memories, we will do that.

This is the hardest part about it because I have to manage scale and speed versus the sensitivity around letting someone just take their time on their block of land. I would rather be accused of going slow and missing a target than actually rushing through what is, as I said, a very tough period for a lot of families dealing with the loss of memories.

The Hon. MICK VEITCH: Deputy Premier, I just want to clarify. I said "clearing blocks." As part of the clean-up, are they clearing the houses or are they clearing the whole block? There is a house and sheds or rotundas or whatever around the backyard. Is the whole block being cleared?

Mr JOHN BARILARO: We are clearing whatever infrastructure has been damaged by fires, and that includes sheds. It includes other infrastructure, from flower beds to cleaning a block. But we are allowing people to tell us what they want to save. It is a really tough balance. You know it yourself, mate—it can be a 25-tonne excavator on a block of land and a truck and a dog on it. You are trying to be gentle with impacts. We are being reasonable. At the heart of this, the beauty here is that the landowner signs off on the scope and then actually has to sign off on the work being completed before there is even a payment made.

It is difficult, and we will do what we need to do. We have acknowledged that in some cases we will take more if there is asbestos or hazardous material—and there is an alarming rate. Somewhere close to 40 per cent of the properties have some level of hazardous material on it. That then entails us going even deeper into the subsoil for cleaning so it is beyond the slab. In some cases, if an engineer can sign off that a slab can be saved for some

landholders, especially those who have got no insurance, we will save the slab. We are making this as flexible as possible.

The Hon. MICK VEITCH: Deputy Premier, as you would appreciate, we are travelling around, as you are, into these communities, providing some support. On the ground, we have been told that there is a 15-metre exclusion zone. That is why I was asking about whether it is houses and sheds or the whole lot. I am trying to get to the bottom of it. If there is such a thing as an exclusion zone, what would it be?

Mr JOHN BARILARO: You can ask Mr Mick Willing or Ms Rebecca Fox.

Mr WILLING: I am happy to start. The site assessors are taking a commonsense approach in marking out buildings. I am not aware of a particular metre-age around it but more a commonsense approach around the destroyed building.

The Hon. PETER PRIMROSE: Can I ask what the factors are about that commonsense approach? What do you take into account? Either witnesses could answer.

Ms FOX: I can probably start. The aim of the clean-up is to ensure that people can rebuild safely and properly and to deal with all hazardous material. That is the overlying principle on the clean-up. That is the instruction that Laing O'Rourke has been given. We have a process whereby difficult scopes are brought back to Public Works Advisory and Laing O'Rourke every week. They are discussed and considered in that process. The home owners are involved in the process as well. There is also a question of priority. Obviously, we are dealing with properties that are more hazardous—closer to places like schools and childcare centres et cetera are first rather than an outbuilding on a rural property that is not creating a risk to communities.

The Hon. MICK VEITCH: When it comes to hazardous material that the Deputy Premier spoke about—we all know some of these places were quite old—as I understand it, they were sprayed. Particularly if it is asbestos, there was an over-spray placed on the debris. With the recent heavy rains in a lot of these communities, has that impacted that overlay and has there been a need to go back and respray or put some sort of material over the top to hold it in place?

Ms FOX: I would have to take that question on notice and get some technical advice.

The Hon. MICK VEITCH: I move to drinking water. One of the issues that has been raised a lot is that there is a lot of work being done around talking to people and telling them what is available but they lost their water tank or whatever and they need clean drinking water. What is in place to make sure that they do not run out of clean drinking water because they have lost the capacity to actually harvest that water?

Mr WILLING: Initially, the Australian Defence Force [ADF] were dropping water to people to ensure that they had access to water. But in terms of process around ensuring that they have got water now, I will take that on notice and come back to you.

The Hon. MICK VEITCH: I understand it is quite difficult because some fires up around the Hon. Catherine Cusack's way were burning in August or September last year. This is the long period and I appreciate there are different issues across the whole region.

Mr JOHN BARILARO: Absolutely, mate.

The Hon. MICK VEITCH: Deputy Premier, the local Tumut papers—the *Tumut and Adelong Times*—on 6 March ran an article. There is a particular farmer who has been quite critical. I will quote him:

The government make out they're doing a lot, but they're not doing much at all ... I'm just starting to get sick of it, really. It's not worth worrying about.

Clearly there is a degree of frustration. The article goes on. He is saying about how he made several approaches for assistance and he has been denied each of the assistance approaches. Clearly there is a degree of frustration. Why are people being denied?

Mr JOHN BARILARO: Without knowing the detail of what he has actually requested, it is very difficult. We have certain categories of support for farmers, businesses and individuals. Without knowing exactly what this gentleman is actually asking for—if he has been denied—it may not have fit in one of those categories. Is he a farmer? Is he an orchard grower? You are saying Tumut or Batlow.

The Hon. MICK VEITCH: He is in Batlow.

Mr JOHN BARILARO: We have just announced a \$3.5 million to start clearing sites in those farms because of all the issues that we are facing there. We have been working with the industry. I met with the industry

and a number of farmers only last week. No-one raised that with me. They are now looking towards what happens next. The Batlow brand is so important. The orchards are important. It is a five- to seven-year turnaround when it comes to replanting an orchard at Batlow. There is going to be a serious impact on that local community.

Then the issue of accommodation was raised. We worked with local government there to deal with the accommodation issue. But this issue, I am happy to take on notice. These are the issues, Mr Veitch, that keep me up at night. There are people who have probably fallen through the cracks. If he has been denied any support, without knowing the facts of what he has asked for, I am more than happy to take that on notice and have a look at why.

The Hon. MICK VEITCH: You speak about Batlow, Deputy Premier. One of the big issues in Batlow, of course, is that there is a very large building that burnt.

Mr JOHN BARILARO: Yes.

The Hon. MICK VEITCH: It was pretty much all asbestos. What are we doing across the burnt area up near the coast and inland to bury the asbestos? What are the arrangements being put in place?

Mr JOHN BARILARO: We have identified right across the State where hazardous materials can be buried and where hazardous materials can be transported to. In the short term we are able to do that. But we have also identified that we are going to have to build some cells in existing waste facilities or some new tips. We are doing that. We have actually budgeted for that and that work is in line with what the Environment Protection Authority [EPA] is doing in partnership with local government. As I said earlier, we have already identified 2.7 million tonnes of waste. That could grow. Anyone who knows construction, when you start putting an excavator on the ground and it comes out and it is bigger than you think.

When you have the severity of the hazardous materials that we are dealing with, who knows where this will end up? We have everything in place to deal with hazardous materials according to the rules and making sure we are protecting everybody along the way. But, more importantly, we have also worked with the EPA about identifying some new cells in existing waste facilities or new facilities from scratch.

The Hon. MICK VEITCH: And local government areas—are you talking to the respective council areas around where that would be?

Mr JOHN BARILARO: Absolutely.

The Hon. MICK VEITCH: How are they involved in this process? As I understand, getting a new tip site is actually—most councils will tell you it is—an onerous process. It could take a long time and we have to do this quite quickly. How are the councils being involved?

Mr JOHN BARILARO: Down the South Coast I think 12 councils came together—someone correct me if I am wrong—and put together a plan and pitched it to the Government, which we then have embraced. Now we are working with those councils. They are at the heart of this. Some councils have a capacity in their existing places; others do not. But they are at the heart of this. We will identify the appropriate land if we are building a new tip. It could be Crown lands, it could be someone else's land, but we are going to do that part.

The Hon. PETER PRIMROSE: On this point, can I please ask on notice that you provide us with a list of the tips and also asbestos waste facilities?

Mr JOHN BARILARO: Yes, I am happy to do that.

The Hon. MICK VEITCH: I just want to go back to the number of villages. As I understand, there are about 89 properties in Lake Conjola that were damaged or destroyed. We have been told on the ground that only two so far have been cleaned. Why does it appear to take so long to actually get in and clean them? I understand you have got to develop the scope for the cleaning. What goes into the development of that scope?

Mr JOHN BARILARO: Again, because we have allowed individuals to be at the heart of it, people are at different stages of that clean-up. As I said earlier, if I could do this by scale, if I put people aside, if I took people out of the equation and treated this as a construction site and a construction program—we have announced we are going into Lake Conjola and we are going to put the dozers in and we are going to clear and we do it en masse, on scale—probably that would be a better return of investment for the taxpayers of New South Wales. But that is not at the heart of what we are doing; we are putting people first. Those two properties most likely are probably insurance payouts and the individuals have decided to go and clear their own blocks as well. So we are not saying that you have to go through this program.

We encourage people to use Laing O'Rourke, but there are insurance companies who have paid out and individuals have gone and organised their own cleaning of blocks—they will be reimbursed under our program. But without knowing exactly what is happening at Lake Conjola, as I said there were people who were burnt out even pre-Christmas that are not even ready for clean-up. So, again, at the heart of this you put individual landholders as the decision-makers to sign off on the scope of works, yet you lose the ability of scale and you lose the ability of speed. But I think that is a fair price to pay for people's memories.

The Hon. MICK VEITCH: Just a slight variation on this theme. The Tumut paper article I quoted from also has a photograph, quite a distressing photograph, of hundreds of cattle still to be buried. As a part of the recovery work here, the first thing I want to say is that the Local Land Services [LLS] officers do an outstanding job and I think have a terrible job straight after the fire of going in and assessing the animals—I hope they are getting the support they need post that event because that would be quite difficult—but what are we doing to make sure that scenes like that are being cleaned up in a timely fashion as well?

Mr JOHN BARILARO: Mr Scott Hansen?

Mr HANSEN: I am not aware of any pits remaining unfilled in terms of disposal. Our top priority, post being given access to these areas, is getting in there, doing the assessments of the destruction and dealing with the pits. It helps the local landowner in terms of the trauma of them having to go and do that, but also the disease control to reduce the threat of attracting pests into the area. I am not aware of any pits that are left to be undone, given that it is our first priority. We will now have to go back around probably in another month's time because a lot of that stock we assessed the first time around might not start to show signs until later, so we will be now starting to schedule visits back through to do assessment.

I think we spoke in the last hearing about the fact that the impact of the drought has seen a significant destocking in a number of these areas, which reduced the number of animals we are having to deal with. That being said, I am happy to follow that up because I would be very surprised if—as far as our records show, all pits were dealt with as a first priority immediately after access was given.

The Hon. MICK VEITCH: Deputy Premier, part of the post-fire recovery is jobs—maintaining jobs and trying to create jobs down our way is a very big issue around Tumut and your part of the world as well. The apiarists are also concerned about the significant loss; I read an article on the weekend about honey. What assessment has been done on the actual number of job losses that will occur because of the fires and what has been put in place by government to make sure that not only do we retain jobs but we actually increase employment opportunities in the regions that were burnt?

Mr JOHN BARILARO: I will go to Mr Gary Barnes in a moment, but the issue of jobs is significant. If you look at a tourist destination like the South Coast, they have missed their peak season. For a lot of those businesses, 40 to 60 per cent of their revenue comes out of a six- to eight-week period. So it is difficult and we know that there have been jobs lost, especially casual jobs, around hospitality. That is why we fought hard with the Federal Government in expanding its small business support package dealing with not just those directly impacted by fires but indirectly, especially when we were closing regions down and closing those main highways. What we are doing is we have got a number of committees in government that deal with the whole recovery, and one of them is in relation to industry and jobs and we have been assessing it. I will pass on to Mr Gary Barnes.

Mr BARNES: Thank you for the question, Deputy Premier. Yes, there is a small business and industry working group within the architecture of the bushfire recovery and I chair that one; likewise, Scott Hansen chairs a committee that is looking at the agriculture sector. So between the two groups we are doing two things. The first thing we are doing is a place-based approach to looking at jobs generation and we are using the footprint of functional economic regions. At previous estimates hearings I would have talked to you about the fact that we have looked at the economy in terms of 39 regional economies—each of those had a regional economic development strategy that we were using the \$1.7 billion worth of regional growth funds to promote.

So we have immediately gone to the five most impacted functional economic regions, and that includes the Snowy Valleys, and we have had Boston Consulting working with the councils and with us to do a refresh because what was going to be their plan for the next 10 years has markedly changed and we need new plans. So the first five of those will be completed on Friday this week and then we will have another tranche to pick up all the other impacted functional economic regions. That gives a place-based approach, and that is important. Then the second thing we are doing is an industry approach for each of the five engine industries in the impacted fire areas.

Those engine industries are: forestry, horticulture, aquaculture, we are looking tourism obviously, and we are also looking at general agriculture things like dairy around the Bega Valley. Mr Hansen has got three of

those plans, we have got two of them. We have said what needs to happen in this financial year and then what is the medium term. We have started and we continue to work with industry associations and groups because they need to be on board with what is being proposed, and we hope that there is some good news that will be coming out about how we can support those industries quite soon.

Mr JUSTIN FIELD: Deputy Premier, I will pick up where Labor was. You mentioned before the intention is to clean up what needs to be cleaned up and you want to support residents impacted. I am on the South Coast. Someone reached out to me recently about a particular case near Bendalong, which they said was illustrative of some of the experiences that were being had. An elderly gentleman down there lost a shed and all of his equipment but not his house; some large trees around the house were badly damaged and he lost all the fencing and the like. He registered with the recovery centre and Service NSW and was told his property would be cleaned up. A contractor came out and lopped the dangerous trees so they did not fall on this property.

Laing O'Rourke visited recently and said he does not qualify for a clean-up and, because of this 15-metre rule, the shed was not within 15 metres of the house. So he is left in the situation where the fences will not be taken out, the shed will not be cleaned up and the trees that were lopped now are just left on the property next to his house because Laing O'Rourke have said that it does not qualify for clean-up. This is an experience that seems to be being felt by a number of people.

Mr JOHN BARILARO: That alarms me. There is no 15-metre rule, and this is starting to come out as a theme. We will go back and have a look at that. I am more than happy to take that particular case so I can actually pursue that and then we can talk to Laing O'Rourke. There is no 15-metre rule.

Mr JUSTIN FIELD: It has become pretty clear that significant logging is happening in unburnt areas of State forests, including State forests at Wild Cattle Creek, Corowa and Lower Bucca, all of which contain critical koala habitat. Why is that being allowed to happen?

Mr JOHN BARILARO: Firstly, if there is again a continuation of forestry activities it is because those approvals are in place pre-previous fires. They have been in place with all the appropriate measures signed off and we still have an industry. Just because of the fire season we still have a timber industry that is also on its knees. When you look at the harvestable hardwoods in the north of the State, 50-odd per cent lost. That will have a ripple effect in our regional communities. Down south, 25 per cent of the pine plantation estate has been impacted. We have an issue. And then what I believe we are doing quite well through Forestry Corporation is accessing burnt blackwood first and foremost to minimise the impact on actually logging or harvesting any green areas. But there are still some green areas that have the approvals and we still have an industry.

Mr JUSTIN FIELD: Just to be clear, Deputy Premier, the position of the Government is if there was already a harvest plan approved—the EPA—those logging operations have been allowed to continue regardless of whether there are particular habitat types, that most of that habitat has been burnt out or there are particular threatened species that most of the habitat has been burnt out, but because there was a logging plan approved, they are allowed to continue.

Mr JOHN BARILARO: No, actually it is quite the opposite. I know for example in Port Macquarie—

Mr JUSTIN FIELD: In the unburnt areas.

Mr JOHN BARILARO: For example, in Port Macquarie where the Koala Hospital was burnt and there were some forests lost there, we have got an ability to go and log or harvest an area that has all the permissions and all the permits and actually ripe for logging today, and we have actually held back.

Mr JUSTIN FIELD: Unburnt areas?

Mr JOHN BARILARO: Unburnt areas.

Mr JUSTIN FIELD: What power was used for that case?

Mr JOHN BARILARO: It is the discretion of Forestry Corporation. Forestry Corp sees itself as having a significant corporate responsibility in relation to our community. There is no question that wildlife has been impacted. That is why we have said consistently that, where possible, we will focus on the blackwood and not touch any green timber. If it gives short-term reprieve to wildlife in some of our areas, that is a benefit.

Mr JUSTIN FIELD: I just named six State forests, Deputy Premier.

Mr JOHN BARILARO: But there is still an industry. We do not just say across the board we are going to stop an industry because of the fires. We assess it. We work with the EPA. The truth is this: If we have access to more of the burnt areas right across the State, the less pressure there will be on the unburnt areas. It is not even

to the industry's benefit to go and continue to log the green areas because we are going to come to a cliff edge in the years ahead where we will run out of resource. If we could access more black wood—

Mr JUSTIN FIELD: I want to come to the burnt, but I want to talk about the green areas first. You just said Forestry Corporation uses its discretion.

Mr JOHN BARILARO: We are all using our discretion.

Mr JUSTIN FIELD: I want to be clear about who has the power to make these decisions and what is the role of the EPA when it comes to the unburnt areas. The sense I get is that the EPA—and we have had these conversations; I have sat down with you and I have been talking to your office—I had the sense that unburnt areas were not going to be touched. Now what seems to be clear is that if a harvest plan was in place, and the approvals were in place, Forestry Corporation can go in. You have given me an example of Port Macquarie. The Forestry Corporation used its discretion. What is stopping them using their discretion in the Lower Bucca? What was stopping them using their discretion in the Styx River, because those areas are significant for habit and for particular species?

Mr JOHN BARILARO: Styx River, for instance, we were already harvesting pre the fire. We just do not stop—

Mr JUSTIN FIELD: But you have been going since—

Mr JOHN BARILARO: Styx River we were harvesting pre fires. At the end of the day, we accept our role but we still have an industry. We still have an industry that requires a resource and it is a balancing game. I would love to say that there is no timber coming out of green areas, but unfortunately that is not the case. But where it is appropriate we will continue.

Mr JUSTIN FIELD: How do we work out if it is appropriate? That is what I am trying to get to.

Mr JOHN BARILARO: Let us go to Mr Scott Hansen.

Mr HANSEN: I might start.

The Hon. TREVOR KHAN: Point of order: There have been about half a dozen questions where Mr Field enthusiastically jumps over the top of the Minister. I strongly ask and urge Mr Field to let the Minister answer the question before he jumps down his throat.

Mr JUSTIN FIELD: To the point of order: This is a complex area. I am asking questions about one area. I know the Deputy Premier wants to join up the other aspects of this discussion but I am trying to get to the bottom of the rules around unburnt forests. If the Deputy Premier wants to stick to those areas in his answers, I am happy to stick to that line of questions.

Mr JOHN BARILARO: You cannot cherrypick areas.

Mr JUSTIN FIELD: You are cherrypicking what you want to talk about.

The CHAIR: We are doing it again.

Mr JOHN BARILARO: We will go to Mr Scott Hansen.

The CHAIR: I will rule on the point of order. You are both jumping over each other in an excited way.

The Hon. TREVOR KHAN: I cannot be critical of the Minister.

The CHAIR: I know you cannot, but I can.

Mr HANSEN: As you would be aware, the IFOAs have in place really strict guidelines with regard to threatened species and threatened species habitat. That existed pre-fire and post-fire and puts in place those protections. With the Deputy Premier's comments with regard to harvesting outside of those areas and the priority of being able to get in quickly into burnt areas first, there is still a supply of certain types of timber that can only be found in some of the unburnt areas because that timber was not actually within the burnt areas. That needs to be able to be continued to be able to actually supply the types of wood required for customers to maintain supply out to the community. They are the kinds of balancing acts that Forestry Corporation is trying to make at the moment. I am sure after lunch we can get into more detail.

Mr JUSTIN FIELD: It does not sound like a balance though, does it? It sounds like the timber comes first.

Mr HANSEN: At the moment the tight rules that we have in place with the IFOA are there to protect threatened species and their habitat, regardless of the environment around it—regardless of whether it is drought, fire or flood. They are there to protect the habitats and actual threatened species themselves. They continue to be in place and administered and managed by EPA, regardless of the external environment.

Mr DAVID SHOEBRIDGE: Morning, Deputy Premier. When it comes to logging State forests, have you sought a statewide review to see what kind of additional restrictions are required now given so much habitat has been destroyed? Have you sought that statewide review and can you table it?

Mr JOHN BARILARO: I can ask either Mr Hansen—

Mr DAVID SHOEBRIDGE: Perhaps, Deputy Premier, you could answer whether you have sought the statewide review?

Mr JOHN BARILARO: Of course we are reviewing the estate right across the board. We have no choice but to do that. That is why I can make statements like about the loss of the harvestable hardwood up north and the pine plantations down south. Is it a complete review? I think that is still an ongoing piece of work.

Mr DAVID SHOEBRIDGE: Can you provide us with a full set of answers on notice—it is going to be quite detailed—about where that review has got to?

Mr JOHN BARILARO: We will take it all on notice. Thank you, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Is there a presumption that, given so much of the State forest has been damaged—and you put some of the figures on the record; 50 per cent of the harvestable hardwood in the north of State—is there a presumption that fresh logging will not commence in unburnt areas for the rest of this year or for a duration? Is there a presumption like that in place?

Mr JOHN BARILARO: No, there is no presumption like that. We still have an industry. We have to evaluate our estate. We have got a supply chain that we have got to continue to look to. Let me make this clear: I am an advocate for the timber industry, an industry that will be here for the future. If people are going to use this opportunity off the back of fires to end native forestry in this State they will have a big fight with me on that. At the end of the day, we have got an industry. We will work towards the best balancing game in making sure we manage the resource in a way so that the industry does not hit a cliff edge at some point and the resource runs out.

Mr DAVID SHOEBRIDGE: So you are willing to put the commercial interests of the logging industry ahead of the biodiversity of the State, notwithstanding this terrible, terrible damage that we have seen to forests across—

Mr JOHN BARILARO: Not at all. Mr Hansen just answered that through the IFOA. The biodiversity of those regions are always at the heart of everything we do going forward.

Mr DAVID SHOEBRIDGE: All of those individual approvals and the IFOAs were all done before we saw five million hectares burnt out. Do you understand that?

Mr JOHN BARILARO: Yes.

Mr DAVID SHOEBRIDGE: Do you understand that was all prior to that?

Mr JOHN BARILARO: Yes, but it does not change.

Mr DAVID SHOEBRIDGE: What do you mean "it does not change"? Is that seriously your answer, Deputy Premier? Losing five million hectares of forest does not change things? Is that really your answer?

Mr JOHN BARILARO: Because we manage those estates according to the IFOAs, which at the heart of it has biodiversity. You are trying to again somehow pick that the 5½ million hectares lost are all areas that we log. We do not harvest that.

Mr DAVID SHOEBRIDGE: I did not say that. You are the one who said 50 per cent—

Mr JOHN BARILARO: When you look at the native forests estate, 80 per cent of it in this State is preserved for conservation. You cannot just somehow attribute 5½ million hectares of an estate now being logged.

Mr DAVID SHOEBRIDGE: Deputy Premier, you are the one who read onto the record that 50 per cent of the harvestable hardwood estate was burnt out. That means if you are going to get the same kind of timber supply from the remaining 50 per cent, you are going to log that to death. That is what you are not confronting.

Mr JOHN BARILARO: No-one is saying we are doing that at all. I will go to Mr Roberts.

Mr ROBERTS: If I may, Deputy Premier. The way that we operate in the forest hardwood sector is we are only treating a very small area a year. It is less than 1 per cent of the total area of the estate. It is a very small area that we are going to. With respect to how we are operating at the moment, we have got about 70 per cent of our capacity actually operating at plantations at the moment. What we are trying to do is move as much as we can out of the green areas. But to the Deputy Premier's point, there are areas where we are harvesting for a particular species, that we have taken it upon ourselves to modify the prescriptions that we are using in those green areas to ensure that we—

Mr DAVID SHOEBRIDGE: We have limited time. I appreciate there is more detail that can be done afterwards. Deputy Premier, I wrote to you in mid-February asking will you exercise the force majeure provisions in wood supply agreements given the unprecedented level of burning and destruction of forests. You responded by saying "there are force majeure provisions in the contracts" and not answering the question. Will you get advice about exercising the force majeure provisions in wood supply agreements to prevent the serious damage to the remaining forests in order to meet commercial wood supply agreements?

Mr JOHN BARILARO: Mr Roberts?

Mr ROBERTS: We have declared force majeure on our north coast wood supply agreements and some others in the State as well. The force majeure provisions provide relief for the period of time that the event that creates the force majeure actually continues, but they also obligate the contract holders to do their best to be able to supply the products subject to the contracts, on a pro rata basis.

Mr DAVID SHOEBRIDGE: I understand that. Can you provide details on notice of which wood supply agreements you have exercised the force majeure provisions on?

Mr ROBERTS: Yes, we can do that.

Mr DAVID SHOEBRIDGE: If I understand your correspondence correctly, Deputy Premier, those are available in every single wood supply agreement. Is that right?

Mr JOHN BARILARO: Yes.

Mr ROBERTS: Yes, every wood supply agreement has one.

Mr DAVID SHOEBRIDGE: Deputy Premier, a spokesperson for you is reported in the *Bega District News* in February of saying that Forestry Commission contractors were going to be accessing national parks in the southern part of the State to obtain potentially commercial quality timber. Is that spokesperson attributed to your position?

Mr JOHN BARILARO: There was a question mark that we were working with the EPA in relation to timber that has been felled for containment lines during the fires.

Mr DAVID SHOEBRIDGE: Is it true that Forestry Corporation contractors have been accessing national parks in the southern part of the State and obtaining potentially commercial quality timber and then selling that timber for commercial gain? Is that what is happening?

Mr JOHN BARILARO: Not yet, no.

Mr DAVID SHOEBRIDGE: Not yet, but it is on the plans?

Mr JOHN BARILARO: No. There is timber that is in our national parks that was felled for containment lines. We have been working with EPA through a process where we could remove that timber from the forest floor.

Mr DAVID SHOEBRIDGE: Will you give a commitment not to use timber from national parks for commercial purposes through Forestry—

Mr JOHN BARILARO: Timber that is already felled?

Mr DAVID SHOEBRIDGE: Will you give a commitment not to sell and get a commercial benefit from the removal of timber from national parks?

Mr JOHN BARILARO: No, I will not.

Mr HANSEN: Instead of EPA, we are actually working with National Parks and Wildlife Service in terms of the make good of those areas that have been affected.

The Hon. EMMA HURST: Deputy Premier, you mentioned before about the potential for our exports of products that are produced here in Australia to potentially grow in demand. Our neighbours in Asia and the United Arab Emirates are the two fastest growing markets for plant-based alternative proteins and Australia is the third fastest growing market. But in Australia at the moment we are importing these plant-based alternatives. Is the Government going to invest in new technology such as lab-grown meats and plant-based alternatives so we can be part of that big opportunity with job growth et cetera?

Mr JOHN BARILARO: I think you have touched on it already. Right across the globe we are seeing the alternative protein sector growing. That is a very good point, but no different here in Australia. We are already generating around \$150 million from Australian sales. In my mind, you will see continued growth wherever there is an opportunity to grow jobs in a new industry. We should be part of it. We do not exclude an industry through ideology or anything like that. This is an area of growth, as we have seen. No different to the Independent Brewers Association. I have just released their plan. Small boutique breweries are growing, 3,000 people in the sector. We believe that will double to 6,000 in five years. I do not cherry-pick industries that get support or not. Any industry that looks like it has the potential for growth—and we know we have got to find an alternative to protein—of course we should look at more investment going forward. That is consistent with where the New South Wales Government sits.

The Hon. EMMA HURST: You mentioned the brewery plan. Is there going to be any kind of plan in regard to plant-based proteins as well?

Mr JOHN BARILARO: I might go to Mr Scott Hansen on this.

Mr HANSEN: This is where I actually get to tell the good news stories about our plant research and development base that we were going to get to in the last hearing but ran out of time. We currently have 135 projects worth \$163 million within the Department of Primary Industries [DPI] in plant production research. We do not do a lot post farm gate in any of our commodity spaces, but our job is working on the attributes of the production and the quality and consumer attributes of plants that end up in the plant and protein mixes and in the plant and protein production systems.

The Hon. EMMA HURST: But we do not know if they actually are, do we? My understanding is a lot of the plant-like protein alternatives that are coming into the market are predominantly produced overseas. We do not know if our actual raw ingredients are going in there.

Mr HANSEN: Our chickpea and our soya bean industries, which have basically shot through the roof in the last couple of years, have done so off the back of demand for them.

The Hon. EMMA HURST: Would you be able to get me some data about the growth of that on notice?

Mr HANSEN: Yes.

Mr JOHN BARILARO: Mr Chair, as advised earlier, I do have to go to a press conference at 11:00 a.m. I will duck out and then I will come back.

The CHAIR: Are you intending to duck out now?

Mr JOHN BARILARO: Yes, if that is possible. Can I do that?

The CHAIR: Yes.

The Hon. EMMA HURST: Yes, that is fine. My other questions were for the Minister, so I will leave it there.

The CHAIR: I throw to the Opposition if they have some questions.

The Hon. PETER PRIMROSE: I will not direct this to anyone in particular, I will let you sort out who should answer it, if possible. How many requests for assistance for materials or a financial contribution to the repair of boundary fences, damaged or destroyed by the fires, has the Forestry Corporation received?

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

The Hon. PETER PRIMROSE: I also ask, how many of these requests have been approved to receive support and what was the nature of that support—financial, materials or labour? I presume you will take that on notice as well.

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

The Hon. PETER PRIMROSE: I will run through the questions. How many requests for assistance with boundary fencing did the Forestry Corporation receive in each of the last three financial years? How many of these were approved? On notice?

Mr ROBERTS: Yes.

The Hon. PETER PRIMROSE: Has the Forestry Corporation discussed the provision of financial assistance to private landholders for fencing with Treasury? If so, what was the nature of those discussions? If not, why not? Can you address that one?

Mr ROBERTS: That last question I think I can. We have got a huge boundary in State forests. We have a lot of neighbours who, needless to say, we obviously know many of them and feel for them as a consequence of this disastrous fire season. We are aware of many of the issues.

The Hon. PETER PRIMROSE: Can you speak into the microphone, I am having trouble hearing.

Mr ROBERTS: We have got an enormous boundary around our State forests, somewhere between 25,000 and 30,000 kilometres. Obviously we have lots of neighbours and we are acutely aware of the effects of the ghastly fire season on them. We have had requests. We have not been able to respond to those because the quantum is enormous. We have been talking within government to see whether there is the possibility of getting some overall assistance package to allow further help to be made to not only neighbours of our land but other Crown land.

Mr BARNES: Maybe Mr Hansen or Mr Willing might be able to give an update.

Mr HANSEN: We did a bit of work looking at boundary fences within fire scales—again, these are rough numbers because no-one has walked each of the boundary fences to do assessments—but we believe that there is over 83,000 kilometres of dividing fences. That is dividing fences between private landowners and public landowners, whether that be national parks, forestry estate, Crown land or travelling stock reserves that have been damaged during the fires. So 88,830 kilometres of dividing fences, 41,486 of those are adjoining public lands—State forest, Crown lands, national parks travelling stock reserves. Going off an average market rate at the moment of about \$10,000 per kilometre, in terms of repairing boundary fences, that is a replacement value of about \$440 million.

The Hon. MICK VEITCH: Can I just ask then about exclusion fencing. This is the perfect opportunity—if you look at where these corridors where the fires have burned through, it has cleared all the undergrowth. This could be the perfect opportunity to look at putting in place exclusion fencing. It is the "good neighbour" approach for our adjoining landowners. But not only that, in years to come it becomes a productivity gain for everyone: pest-proof fences. Are we looking at that at all? Has there been any approaches to give consideration to that? I appreciate it is more expensive but in the longer term it will pay for itself.

Mr HANSEN: There has certainly been consideration around exclusion fencing and around what needs to be done to assist. It needs to typically be done at a regional level for it to be effective, as you would be aware—not individual property—and, therefore, is a more regional-based discussion with groups of landowners for better value with regards to all moving simultaneously to do so. But that is something that is definitely on the table.

The Hon. MICK VEITCH: For State forests—Forestry Corporation, whatever you call it these days—are you also looking at exclusion fencing in places?

Mr ROBERTS: I am not aware of any specific initiatives, but I could take that on notice. As I said earlier, we are working very closely with the Department of Primary Industries [DPI] and other government agencies to see whether there is a way we can get some funding to reconstruct these fences.

Mr BARNES: Just to be clear, we have been talking with our Treasury and we have taken forward proposals both to them and to the Federal Government about the need to make fencing a priority. Did you want to expand on that, M Willing?

Mr WILLING: Thank you, Mr Barnes. Ongoing discussions are occurring with the National Bushfire Recovery Agency. Clearly, fencing is a complex issue, which cuts across a number of States that have been impacted by bushfires. As Mr Barnes said, there are ongoing discussions with Treasury around the whole issue of fencing in totality and looking at ways of securing funding to meet what is going to be an enormous task moving ahead.

Mr BARNES: We have been told to expect some favourable news imminently.

The Hon. MICK VEITCH: For exclusion fencing or just fencing?

Mr BARNES: For fencing. I am not sure, Mr Veitch, about the nature of the fencing.

The Hon. MICK VEITCH: That was the pests. Can I talk about weeds? For my colleagues, I apologise, I ask this a lot. For weeds, this is also the best time to get in and make a fair campaign against the weed invasion on Crown land or publicly owned land, whether it is State forest or whatever else. The first thing that will come back is blackberry, which also contributes to the fuel load. When the Deputy Premier is talking about fuel load, weeds growth is a significant contributor to fuel load. What are we doing right now about attacking weeds?

Mr BARNES: I might throw to Mr Hansen. This came up in Minister Marshall's estimates hearing.

The Hon. MICK VEITCH: Good.

Mr BARNES: But I might let Mr Hansen kick off.

Mr HANSEN: You are exactly right; there is no better time to get stuck into weeds than following the fires. There is also no bigger risk period for us than what we have at the moment, with the culmination of the drought having meant a lot of seed being blown from western areas into public lands; then we have had the fires; and then we have had the floods in areas, which have also moved a lot of biosecurity matter around the place, potentially creating new risks in areas that have not had those risks before. I know that the State Weed Committee met recently to consider and review all of the existing regional weed and pest plans to make sure that they are currently tailored and appropriately set to the new risks that we faced, plus the new opportunities that we face from this moment. I know that there has been funding available from the Commonwealth. I think \$1.5 million was available for pest and weed control to be allocated out through councils to assist with that, in addition to State funding, to jump-start some of that. But we are expecting regional plans to be updated and come back for consideration in terms of targeted activities, targeted campaigns to get on top of these weeds before they return.

Mr BARNES: The LLS have put out \$12.6 million to each of the councils to start the process off the back of those meetings.

The Hon. MICK VEITCH: And Forests?

Mr ROBERTS: We have a recovery committee working down in Tumut and one of the issues they are working on is how we can keep control of this blackberry because to your point, it is very invasive and will come back again. I know they are considering things like oversewing as an idea. We do not have a solution as yet but it is being worked on as a priority.

The Hon. MICK VEITCH: Are you putting in a request or a bid for additional funding to ramp up that approach?

Mr ROBERTS: We have not got to the point of knowing exactly what we are going to do to base a funding request on but that is probably where we are going, yes.

The Hon. PETER PRIMROSE: Can I just talk about timber supply contracts? I will read these out so that they are clear. Are the existing timber supply contracts for hardwood mills in northern New South Wales and softwood mills in southern New South Wales still in force?

Mr ROBERTS: Yes, they are.

The Hon. PETER PRIMROSE: Can I ask then, can the Forestry Corporation outline how salvage logging is undertaken and any differences in the process between softwood, hardwood and native forest?

Mr ROBERTS: Maybe I could talk to the softwood first. Basically the radiata pine we grow in the wetter parts of the State's south-west slopes is very fire intolerant, so you do not need a particular hot fire to go through it and the tree is killed. The fire actually charcoals the bark so it looks like the tree has been burnt but the bark can actually be removed and the cambium you will find in the grain area of the tree, right on the outside, is still damp and moist and the wood underneath is still in a form that it can be used. What we are doing in Tumut is we have as many crews as we can back into the forest and we are harvesting just as fast as we can and running those logs into the local processes. Because what will happen is over time—fortunately we are going into winter, so it will cool off and biological factors will begin to ease off—you will get fungal and insect attack and the utility of those trees will reduce. We have a very large volume of wood on the hooth in Tumut so we are working as fast as we can to get at it. That is basically what we are doing with the softwood. We have similar operations running in Bombala and up in Grafton from the earlier part of the fire season.

The Hon. PETER PRIMROSE: What are the key differences between softwood, hardwood and native forest?

Mr ROBERTS: The key difference would be that, in terms of softwood—softwood plantations, hybrid plantations, I guess are reasonably the same. We want to get in there as quickly as we can, remove the bark and then you have the utility of the tree. We would remove the plantation in the same way as we would do it if that plantation was a green plantation or a burnt plantation.

The Hon. PETER PRIMROSE: How do you actually determine the tenements to be harvested post fire?

Mr ROBERTS: In terms of plantations?

The Hon. PETER PRIMROSE: Yes and generally. I am talking softwood, hardwood and native forest.

Mr ROBERTS: We would try to recover the best material first. If we are going to lose anything, we would rather lose something of lower utility. For example, again, I could talk about Tumut—we are only harvesting logs for the sawmills that are 24 years old—trees of 24 years old—and the minimum diameter would be 24 centimetres. On occasions we would cut younger trees and we would certainly cut smaller diameter logs. We are trying to take the high-value product that the mills can make the most out of in the shortest possible time.

Mr BARNES: I just wanted to add one thing. The utility of those logs, particularly the softwood logs, diminishes after eight to 12 months. Nonetheless, some science can be applied to preserve them. It is only natural that you would focus your efforts on those logs that the three mills up there will get the most benefit from.

The Hon. PETER PRIMROSE: Do you try to leave as much of the unburnt timber as possible?

Mr ROBERTS: That would be again one of the things we do. We have an area that has been lightly mind and you still have some green canopy. We tend to try to push that back into the harvest schedule as it is more likely to survive and not get attacked by fungus or bugs.

The Hon. PETER PRIMROSE: Can you tell me then, briefly, what are the processes used to determine which trees should be salvage-logged in hardwood and softwood areas?

Mr ROBERTS: In softwood I think I have covered that in terms of looking for the larger diameter trees and getting through them as quickly as we can. Essentially with softwood, we want to clear the site. We have two objectives with softwoods: One is to harvest as fast as we can to get the utility of the wood, and the second one is to replant the areas as quickly as we can also. We have some other work going on in that particular area. With regard to hardwood, I guess, first off we have to get regulatory approval to be able to go and harvest the trees in a burnt area if we are talking about a native forest. Those areas would be covered by the integrated forestry operations approval, or the IFOA, or the new coastal IFOA. You have a regulatory blanket that sits on top of any of those areas that we might be considering to go and harvest post the fire.

Then in addition to that, we have a protocol with the EPA whereby we are working with DPI and a number of scientific people from the department, looking at what site-specific conditions might be applied to the burnt area. The idea here again is to look at the areas that have been lightly burnt or not burnt at all during the fire period, and to concentrate any efforts onto the burnt areas. It would then be on a single tree selection basis that the harvesting will take place.

The Hon. PETER PRIMROSE: Can I just ask one question? You have spoken about the harvesting protocols in place in the IFOA. Can you just mention or comment on if there is in that protocol any provision in place for wildlife?

Mr ROBERTS: Absolutely. I guess the whole IFOA is about threatened species. It is soil and water impacts and threatened species impacts. In any consideration, there would be wildlife considerations along with any approval that was granted to harvesting.

The Hon. MICK VEITCH: I just want to go to the harvesting of softwood at Tumut. We are bringing forward a lot of harvest because of the fires. Once we finish that task, clearly there is going to be a drop-off for a period of time. What is the plan for the workforce post this intensive harvesting arrangement post the fire?

Mr ROBERTS: We are working with industry and along with the rest of Government at the moment to see what can be done about that. But you are quite right: There will be a drop-off in volume once we have completed the salvage operations. There are a number of ideas that we are looking at to try to extend the utility of the timber that we are proposing to harvest. Some of those may or may not work but we are putting every effort into them at the moment. Yes, there is likely to be a reduction in the available harvest from the Tumut forest.

Mr BARNES: I might just add on that. We have had regular meetings not just with the Softwoods Working Group but with AKD, Hyne and Visy and Borg. They are all, as Mr Roberts is saying, coming up with

ideas to preserve local jobs because undoubtedly the volume of timber at some point in the not-too-distant future will necessarily diminish. A lot of the ideas that they bring forward at the moment centre around value-adding to the timber that is being milled.

I will not tell you which companies have which ideas but both of the milling companies have ideas for value-adding onsite so that people can transition from a diminished volume into other lines of business. The same thing is with Borg at Oberon. They are looking at new technologies so that they might be able to start our value-added business as well. It is very clear in our mind that we will need to work alongside of industry to assist them when that time comes because the one thing we know about people in the bush is that when they leave it is hard to get them back.

The Hon. MICK VEITCH: I am being told down our way around Tumut, Tumbarumba, Batlow and Adelong they are talking upwards of 2,000 jobs and about \$800 million a year hit to the economy every year for the 20 years after. I think that is an upper-limit statement but are they close?

Mr ROBERTS: I have not heard any numbers that high.

The Hon. MICK VEITCH: It is quite substantial—in fact, quite scary. Once this immediate task of clearing the burnt timber is completed, it literally does drop. They are quite scared for their local economy. Would that be a fair statement?

Mr ROBERTS: I think you cannot get away from the fact that a very large area of the forest is burnt. Based on the current way those sawmills operate, there is going to be a big impact. I do not know exactly what the scale will be, but to Mr Barnes' point, we have some very creative and innovative customers who are looking at all sorts of different ideas. There will also be a lot of jobs in the bush. We have a huge replanting program ahead of us and there may well be some opportunities there. We certainly talked to one of the mills in particular about that.

Mr BARNES: This is where—and Mr Hansen might elaborate—we need to work in a place base with council, with Mayor Hayes, with the—

The Hon. MICK VEITCH: Softwoods Working Group.

Mr BARNES: —with the industries and with Softwoods. To an earlier point, some of these small regional towns had a predominant driver for their economy. If that is impacted, it has a massive impact. We need to work with them around that. We are working at the moment to make sure that we get Selwyn ski fields up and running for the next year because outside of logging and horticulture in the Snowy Valleys—

The Hon. MICK VEITCH: It is tourism.

Mr BARNES: —that is an important tourism provider because it is a day-based visitation and everyone takes up accommodation during that ski season. Mr Hansen, have we got time?

Mr HANSEN: Are you happy for me to keep going? I was just going to say, in addition to what Mr Barnes and Mr Roberts have said, obviously rope expansion in the nursery capacity in terms of fast-tracking the nursery productions—we already have impacts in some of these plantations, especially in the north with drought coming into the fire season already in terms of impacts. There is no shortage of the shops to assist them but it has been equally replicated by no shortage of innovative and new ideas coming forward in terms of what will turn good use of the talent, the capabilities and the equipment that sit amongst these businesses that might be able to be brought to it. It is really just how many of those we can actually realise.

Mr JUSTIN FIELD: Mr Roberts, the Deputy Premier before indicated that the North Coast wood supply agreements force majeure had been triggered in those contracts. Is that your decision as CEO of the Forestry Corporation?

Mr ROBERTS: It is a decision that we put past the board of directors of the corporation.

Mr JUSTIN FIELD: Ultimately, Forestry Corporation makes the decision. It is your relationship with the wood supply agreement holder.

Mr ROBERTS: I should be clear: The North Coast wood supply agreements are both between the State and the Forestry Corporation. We had engaged with the Minister's office on that also.

Mr JUSTIN FIELD: How was the decision made? The board met and you put a proposal to the Deputy Premier?

Mr ROBERTS: Correct.

Mr JUSTIN FIELD: The Deputy Premier agreed.

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: And wood supply agreements have got triggered force majeure on the North Coast.

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: How were the companies that were parties to the agreement advised that a force majeure had been triggered?

Mr ROBERTS: We phoned each individual company and spoke to the owners of the organisation and then there was a confirmatory letter that went out to each organisation. The initial notice says that, in effect, we believe we are in a situation where a force majeure can be declared. A major event has occurred. Twenty-eight days later, we have to then follow up with further details of the nature of the event and confirmation of the force majeure.

Mr JUSTIN FIELD: You have sent the original one and you have sent them a confirmation?

Mr ROBERTS: Correct.

Mr JUSTIN FIELD: So a force majeure now has been officially triggered once that confirmation after 28 days had been sent?

Mr ROBERTS: It has, but we have an ongoing obligation to keep our customers informed as to how the event is unfolding, what remediation efforts might be made, what mitigation efforts might be made. So there is an ongoing effort there to keep close to it and it does require pro rata treatment of all the contract holders.

Mr JUSTIN FIELD: This is where we are trying to get to. In those letters that went out did you give an indication of how those pro rata arrangements would work going forward?

Mr ROBERTS: No. I think it is a pretty standard thing in terms of whatever the volume is available gets shared out equitably in terms of the contract volume.

Mr JUSTIN FIELD: We know that Boral has favourable conditions in terms of species-specific allocations. So if you are only getting blackbutt out, that is just going to Boral—the smaller timber mills are missing out?

Mr ROBERTS: We are supplying blackbutt to some of the other smaller mills at the moment. We do have an obligation under the contract, as you point out, so we have to adhere to that application, but at the moment we are also trying to get some blackbutt to the smaller mills.

Mr JUSTIN FIELD: They are telling me they are missing out; they are not seeing that timber. That is not an unfair thing to say, I assume.

Mr ROBERTS: Blackbutt is always under very high demand.

Mr JUSTIN FIELD: So how do you make decisions what areas you go into given that the species choices and blackbutt is going to be more economically beneficial to the Forestry Corporation? How are you making those decisions?

Mr ROBERTS: I should say that in terms of the impact on our business, that is not a consideration at the moment. We are trying to make sure that the 24 crews that we have operating and working for the corporation on the North Coast are able to keep working and keep their employees in work and we are trying to make sure that we get logs to our customers so they have stocks and they are able to continue to run their operations. So we have put as many crews as we can into plantations, so we are looking to make sure that we do that as a first element. That also has side benefits in that we produce a lot of poles and there is a very high demand for electricity poles at the moment.

Mr JUSTIN FIELD: Of course. A lot of them came south, I am sure.

Mr ROBERTS: We are trying to maximise that opportunity.

Mr JUSTIN FIELD: What percentage of the wood programs are you meeting at the moment?

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

Mr JUSTIN FIELD: You must have a bit of a ballpark? Are your customers screaming this much or that much?

Mr ROBERTS: I think it would be fair to say that up until the new year period we were doing what we would normally do in a year, which would be sort of between 45 per cent and 55 per cent of the volume, but I would have to come back to you on notice to give you the accurate figures and I cannot tell you where we are sitting at the moment.

Mr JUSTIN FIELD: How is that determined? Obviously that is additional pressure; you are going to have communities concerned about the ecological impacts of this. You get to make that decision, right? You do not need to be pushing into burnt areas. The Deputy Premier said you made a decision not to go into Port Macquarie into some of the unburnt areas. How are you making those decisions?

Mr ROBERTS: We are making those decisions based on a number of criteria, but in particular in our own minds we would rather be in burnt forests than in green forests.

Mr JUSTIN FIELD: Can you table those criteria?

Mr ROBERTS: In terms of how we think about them?

Mr JUSTIN FIELD: Yes. If they are criteria for determining which areas you go into, what are they?

Mr ROBERTS: We would be looking at how many crews can we actually get into the plantation blocks.

Mr JUSTIN FIELD: So they are not specific and you weigh it up?

Mr ROBERTS: No. There is a balancing act of logistics and log supply, species, all of those kind of things.

Mr JUSTIN FIELD: It seems to me there is a bit of a contest here between future wood availability, meeting current wood supply contracts, obviously the ecological arrangements. Was there any legal advice sought? I would imagine force majeure has not been triggered in these circumstances before. Was any legal advice sought as to how force majeure would operate, how much you think you would be required to meet? Did DPI seek legal advice about that? Because obviously a decision made by the Forestry Corporation might have long-term implications on wood supply.

Mr HANSEN: No, the contracts and the decisions on the force majeure are between the Forestry Corporation and their customers, so we do not need to seek legal advice on that.

Mr JUSTIN FIELD: So you are comfortable about how the contracts are currently operating given the impacts on the forests are ongoing?

Mr HANSEN: I am comfortable. The way in which the contracts currently operate are an issue for the Forestry Corporation and their customers as opposed to DPI.

Mr JUSTIN FIELD: Who is doing the assessment about long-term wood supply impacts? Because all the North Coast wood supply agreements are due in 2023 to 2028. This will have an impact on what is available to negotiate going forward. Who is doing that work?

Mr ROBERTS: We will be doing that work. Our immediate efforts, a bit like with the softwood, is trying to get the bush to recover and doing all the work that we need to do to regain access to the forests and working with the regulatory agency and DPI to work through how we can get into the forests that have been burnt so that we can start harvesting there. That is where our planning efforts are concentrated at the moment. We have a separate group of people who are beginning to look at the long-term impact. We have remote sensing data to indicate where the forest has burnt, where it was burnt heavily or not so heavily; we are putting that data against our long-term models and looking to grow those forests forward and see how much wood we have available. There is a lot of work going on.

Mr JUSTIN FIELD: This is a specific project to do a wood supply impact assessment on State forests.

Mr ROBERTS: There is specific work that is going on into that area, yes—not just on the North Coast but right across the business.

Mr JUSTIN FIELD: Does DPI have involvement in that, Mr Hansen?

Mr HANSEN: We have involvement in checking the modelling that is done, utilising the forestry resource and management evaluation system—that is a framed system that gets used for the modelling. That needs to be independently reviewed every five years. It was last done in 2017 when it was independently reviewed.

Under the Regional Forest Agreements the Commonwealth also have to audit those sustainable yield forecasts, and the Forestry Corporation report as well. So whilst we do not do the modelling, we do the checks on the system that is being used for the forecasting.

Mr JUSTIN FIELD: We were having a dispute last year about this old-growth remapping concept. Frankly, Mr Roberts, you know there are a lot of people out there who are not going to trust Forestry Corporation's analysis on this. Why would we not be using an independent body like the Natural Resources Commission [NRC] that seems to be doing some verification work around wood supply when it came to that old-growth remapping project?

Mr HANSEN: The NRC was proposed to be the body to do the old-growth remapping.

Mr JUSTIN FIELD: That was my point though. Why would they not be doing this work given that they were going to do the old-growth remapping? They are an independent body.

Mr HANSEN: They are certainly an option for us when we need to have a look at a specific question or a specific issue. I guess we see that a fundamental part of the responsibility of the corporation is to keep monitoring, keep updating their sustainable yield projections on an ongoing basis. That requires a standard dedicated sort of group of individuals who are regularly following the progress of activities of the Forestry Corporation. Whether that group sits inside the Forestry Corporation or the NRC, it is still a dedicated group who know how to use the modelling, know how to take the inputs that are provided to them from the people and the officers out in the field and supply that into the model. As I have said, we have used the NRC when we have needed to for specific projects and specific activities, but the ongoing responsibility of utilising the framework sits with Forestry Corporation.

Mr JUSTIN FIELD: What will the output of that process be? Will there be a public document or will there be something that indicates what the impact on wood supply is?

Mr ROBERTS: We run these models on a regular basis—almost annually, anyway. We update our inventory and we plug that into the modelling framework, as Mr Hansen has pointed out, and we then present that data to our customer base and people like Timber NSW so that there is transparency and everybody is aware of what the wood supply forecasts look like. So we would be looking to do something very similar in this case. In terms of the NRC, we have also had a practice in the past—these are very important projections, very important numbers—to bring in external third parties to have a look at the modelling work, have a look at the modelling output, just to make sure that it has all been done the way that it should be and this may well be another occasion when we do something like that.

Mr JUSTIN FIELD: Mr Hansen, before you were talking about the IFOA because I was pointing out some concerns about harvesting unburnt areas. One of the elements of the IFOA is also that intensive logging is allowed at times. Is that happening at the moment in any of the unburnt areas?

Mr ROBERTS: It is one of the changes that we have made ourselves. The area where we are harvesting is actually on the lower North Coast, in an area which has not been subject to much fire. I should make that point in the first instance.

Mr JUSTIN FIELD: Sorry, which forest is that?

Mr ROBERTS: Mostly where you were talking about the green forest. Most of them are down in sort of the lower North Coast, around the Hunter area. Those areas were not as badly affected by fire, obviously, as the forests further up the coast. So we have unilaterally moved to a single-tree selection methodology within those areas to make sure that we do whatever we can to minimise any impact.

Mr JUSTIN FIELD: Can you give an undertaking to the community that intensive logging will not happen whilst we are in this uncertain environment with the fire impacts and force majeure being in place?

Mr ROBERTS: I could not give you an absolute undertaking, but that is certainly our intent.

Mr JUSTIN FIELD: It is great for your corporate image.

Mr ROBERTS: We are trying to get into Blackwood as fast as we can to get the timber that we need for our customers.

The CHAIR: Mr King, are you the best person to direct questions to regarding the koala SEPP that I was talking to the Minister about? If not, I will move straight to the Opposition.

Mr KING: No, I am sorry. It is not in my area.

The Hon. MICK VEITCH: Mr Roberts, I refer to the efficiency dividend that you are required to pay to government. In light of the fire season that has been and the impact on the operations of Forestry Corporation, have you sought to have that either reduced or suspended for this year and possibly future financial years?

Mr ROBERTS: We have not made that specific request, no, but we have been, as you can imagine, in very regular and detailed conversations with Treasury about the future of the business and any impacts that the fire might have on our revenue and profitability. So those debates are ongoing. We do not have a final conclusion as yet, but we have been talking to them on a very regular basis.

The Hon. MICK VEITCH: So you have talked about other matters but not the efficiency dividend?

Mr ROBERTS: My chief financial officer may well have covered that particular topic but I have no knowledge about that.

The Hon. MICK VEITCH: You can take it on notice?

Mr ROBERTS: I could take it on notice, yes.

The Hon. MICK VEITCH: Thank you very much. Mr Hansen was talking about putting in new seedlings and that sort of work because there is going to be a fair bit of planning take place. First, have we assessed the capacity of our nurseries to be able to grow the seed stock? I have a series of questions around the same thing. Second, is there a risk we will struggle getting the seed stock that will be required. I am talking about radiata pine for the pine plantations. Third, what is the current estimate of the number of seedlings that you will require?

Mr ROBERTS: Yes, the team that I talked about in Tumut having a look at the recovery down there have been looking at our nursery capacity. I think you would be aware, I know that you visited Blowering last year—

The Hon. MICK VEITCH: Blowering Nursery is sensational. Thank you for that.

Mr ROBERTS: Thank you for coming to have a look. We also have one up at Grafton, which is somewhat older technology. We do not have the moving benches as we have down at Blowering. We are in the final stages. We have assessed the capacity of both of those nurseries and we have capability to expand both of them. I should say we also bring in some seedlings from external third party nurseries. We have been doing that for a number of years. It gives us a little bit of surge capacity. Out of Blowering, we can produce around about 7.4 million to 7.5 million seedlings a year. Out of Grafton, we could go anywhere from 500,000 probably to about two million.

With the Grafton expansion, we could move seedlings into Bathurst, Oberon and Walcha but we can also supply those areas out of Blowering. We have not made a call as yet but, as you point out, the Blowering facility is a neat facility and would be relatively straightforward to expand and be able to grow another 1½ million to 2 million seedlings without too much difficulty. I should say we are still in the final stages of evaluating that option. In terms of seed supply, no, we do not think we have got a problem there. We are a shareholder in the Radiata Pine Breeding Company in New Zealand and we access a lot of seeds from an organisation in New Zealand called Proseed. As a consequence of having the Tasman between us, we do have quite good seed stocks. We normally carry two to three years of seed stock as a matter of course so we have a good buffer.

All of the radiata seed orchards both in New Zealand and in Australia have been increasing capacity in recent years. So there is a lot of seed coming online. In addition to that, we have established our own seed orchard using genetically improved trees. It is on some land in Victoria at Gelliondale. Those trees are coming to cone-bearing period very soon and so we expect to be able to harvest seed off them within the next couple of years so they will augment our supply going forward. We do not believe we have got any problem with seed as at the moment. I have to say going into it, it was one of the first questions we had: Have we got enough seed? We believe that we have got enough seed.

In terms of the replanting rate, we would be looking to try to re-establish in Tumut at around about 10,000 hectares a year, is what we would be looking at doing. So that would be 10 million seedlings a year and then we would have the ongoing re-establishment both in Bombala, Grafton and Bathurst, which would take you to 12 million, 13 million seedlings, or something of that order.

The Hon. MICK VEITCH: You will have to ramp up to get to the supply of the 10 million to 12 million—

Mr ROBERTS: In terms in Tumut, we are about 1½ million seedlings short.

The Hon. MICK VEITCH: But you have a program or a plan to address that shortfall?

Mr ROBERTS: Yes. We are still in the final analysis of that so we have not reached a final conclusion but we are doing work in that area.

The Hon. MICK VEITCH: What will be the biggest impediment to re-establishing the pine softwood plantations in the south?

Mr ROBERTS: Ten thousand hectares is a big area but we have done some work on that and we believe that that is going to be achievable. So there is land preparation equipment that will be able to go out and do the early preparation of land. It will provide a lot of jobs over the winter for replanting the seedlings but we believe that that acreage is doable.

The Hon. MICK VEITCH: Do you have anything to add, Mr Hansen?

Mr HANSEN: Not in as much detail, other than the fact that we have also been in conversation with the other private nursery who also have plans to ramp up expansion and also have set out their plans for replanting their plantations as well. So both private and State owned corporations have certainly turned their attention to this and are comfortable with the plans they have around expansion and replanting.

The Hon. MICK VEITCH: One of the issues for the mills down our way will be such a large volume of timber going through the plant to the mill and then storing post-treatment. Are we assisting the mills with finding suitable land where they can store the timber?

Mr ROBERTS: I am not aware of any work that is being done in that area but it may well be the recovery team in Tumut might well have been looking at that. I will take that on notice.

Mr HANSEN: It is certainly an area that has been raised with us and is part of the discussions we are having around the future planning for production is about storage areas, storage depots, where they need to be underwater where they need to be under irrigation. What kind of system needs to be put in place. Once identified, if it is coming in at a faster rate than what demand is, where it can it be stored? These are the kinds of conversations we are having with them.

The Hon. MICK VEITCH: An issue around water, as I understand it, the treated burnt timber will require, I think the phrase is, to be underwater. That essentially means being sprayed or—

Mr ROBERTS: Sorry, I misunderstood your question. When you said treated timber, I thought you meant timber which had gone through the mill.

The Hon. MICK VEITCH: Yes, treated as in harvested and processed.

Mr ROBERTS: Yes, so there have been Queensland and South Australia have stored logs underwater, as you a rightly pointed out. Some were stored in South Australia in a lake. A better opportunity we found in Queensland, where they were able to store some logs in a quarry situation where they could recycle the water. But I think to your point, water is the limiting factor here.

Mr BARNES: We have connected Forestry Corp with people that work in Department of Primary Industries—Water to look at available capacity in current licences so that the two groups can work out if the water is available near where a suitable block of land might be. That work has begun, as has the piloting of the technology.

Mr ROBERTS: Yes.

The Hon. MICK VEITCH: That begs the question, I guess, there is a fair bit of work going on there around handling the burnt timber, working out the seedlings so we can then start replanning the softwood plantation. Has a post-fire task force been set up within State Forests to coordinate what clearly is a large and probably urgent bit of work?

Mr ROBERTS: Yes. I mentioned the recovery team that we have operating in Tumut. We have brought in some external help who has worked on softwood fire recovery situations before. He is leading the effort down in Tumut. We have also taken at a corporate level one of our region managers offline and he is involved in making sure we coordinate all of the efforts right across the business. My senior management team and I meet with him on a regular basis just to make sure that we are doing all the things that we need to do because there is a lot of work to be done.

The Hon. MICK VEITCH: Has the Government considered amending or changing transport arrangements as part of the timber supply agreements to reduce the amount of unburnt timber that is being harvested while salvage harvesting is occurring?

Mr ROBERTS: I know there has been talk about transport subsidies and issues like that so I think that work remains on foot. In terms of our operations, once again a bit like the hardwood business, we are trying to focus our efforts on the areas that have been burnt and keep out of the areas that are green. We cannot do that in all cases, but that is the endeavour.

The Hon. MICK VEITCH: With regard to getting the burnt softwood out of the high country, what discussions are taking place with RMS to ensure that the road network can sustain an extensive trucking arrangement of logistics down into Tumut? I am particularly concerned about that intersection on the Snowy Mountains Highway and Wondalga Road.

Mr ROBERTS: Again, I would have to take that on notice. I know that obviously transportation of logs is a major issue in a recovery situation such as this. I am not sure of any specific conversations, but I will take it on notice.

Mr HANSEN: I know that government had a conversation with the Forestry Corporation about prioritisation of supply of logs for domestic mills and to work with the mills outside the traditional supply areas to ensure that any available timber is taken away to mills that can handle the timber and have a use for the timber. That conversation is an ongoing one to ensure that we are getting wood probably outside of normal supply areas supplied into mills that can take it and have a need for it.

The Hon. MICK VEITCH: Again, one of the issues raised with me just recently is that people are talking about the forest, burnt timber and the mills, but there are the logging harvesters, who are private contractors, the truck drivers and the trucking companies. They are talking about how they will be employed or engaged after this intensive harvesting operation.

Welcome back, Deputy Premier. We talk about the jobs that are going to fall off, but some of these small business operators in harvesting and trucking are the ones who are most at risk of maybe not being around in three years. Are we having some conversations with them about how we can somehow keep them engaged for the long-term?

Mr HANSEN: We are exploring some of the forward discussions as we have talked about in terms of there is a significant ramping up in the replanting component. There is a significant ramping up in the storage and the care of the logs. It is really just about what balance of opportunities we can find for redeployment of current workforce that are engaged or would otherwise be engaged in that contracting of harvesting and transporting.

Mr BARNES: Last week for instance, the Forestry Corporation offered some independent logging and hauling contractors from down at Eden the opportunity to use their equipment up at Bombala. It is a unique period in time where commercial outcomes are not driving the decisions that are being made. Rather, we are trying to preserve as many jobs in the bush as we can by sharing the resource around and trying to keep these towns alive.

The Hon. MICK VEITCH: Was there much damage to the road network within the State forests that had to be remedied so we can undertake this urgent work and get the softwood out?

Mr ROBERTS: In terms of softwoods, I think we have lost five or six bridges that were destroyed and there are areas of road network which have been damaged to some extent. But I am not aware of any significant damage. I know the operations are running at pace at the moment. I think we are in pretty good shape in that regard.

The Hon. PETER PRIMROSE: Welcome back, Deputy Premier. In estimates in September last year you noted that the sale of the Forestry Corporation has never been off the table. Is the sale permanently off the table?

Mr JOHN BARILARO: Yes, it is.

The Hon. PETER PRIMROSE: What was the final cost of consultants, lawyers and others commissioned to undertake the scoping study for the sale of the softwood division of the Forestry Corporation?

Mr JOHN BARILARO: That is actually a question for Treasury. I am more than happy to take it on notice.

The Hon. PETER PRIMROSE: What was the estimated cost of the Forestry Corporation staff time and resources committed to assisting and providing information in the scoping study?

Mr ROBERTS: That would be very hard to estimate. It was not our scoping study. We interrelated with Treasury and some of the consulting people but we tried to minimise our engagement in that process. I would not have an estimate of that.

The Hon. PETER PRIMROSE: You cannot answer it?

Mr ROBERTS: I would have to take it on notice in terms of whether we had an estimate or not, yes.

The Hon. PETER PRIMROSE: Deputy Premier, will the Government be releasing the scoping study?

Mr JOHN BARILARO: Again, a question for the Treasurer. The Treasurer and Treasury are the ones who embarked on the scoping study because the Treasurer is the shareholder Minister of Forestry Corporation and therefore has conducted this particular scoping study. As the Minister for the timber industry and of course as a Minister responsible for timber and the industry in this State, I work with the Forestry Corporation but the shareholder Minister is actually the Treasurer.

The Hon. PETER PRIMROSE: Was Forestry Corporation senior management consulted on the scoping study prior to the announcement on 20 February this year that the sale would not proceed?

Mr JOHN BARILARO: Yes, of course.

The Hon. PETER PRIMROSE: Did the scoping study provide an estimate of the value of the softwood division?

Mr JOHN BARILARO: I assume so.

The Hon. PETER PRIMROSE: Can you tell us what it was?

Mr JOHN BARILARO: Again, that is a scoping study that is conducted by Treasury. I am not sure if there is anything commercially in-confidence on that. I will take that as a question on notice.

The Hon. PETER PRIMROSE: Presumably if you are not proceeding, there cannot be really a commercial-in-confidence?

Mr JOHN BARILARO: The reality here, when you look at the Forestry Corporation and what has been lost, regardless of what that particular scoping study may have valued the operation as, it has significantly changed since the fires. Today is an announcement in relation to the coronavirus and the stimulus that the Treasurer has just announced. There is a \$46 million equity injection into Forestry Corporation to get on with the replanting and the ability to deal with some of the impacts from the fire. Again, regardless of what the valuation may or may not have been a month ago, the world has definitely changed.

The Hon. PETER PRIMROSE: Is that a yes or a no in relation to whether or not you will release the scoping study?

Mr JOHN BARILARO: Again, that is a question for the Treasurer. As I said, he is the shareholder Minister responsible for the Forestry Corporation.

The Hon. PETER PRIMROSE: In documents released under the Government Information (Public Access) Act a NSW Treasury document indicated:

Forestry Corporation NSW has strong management and was supportive of a softwoods divestment. Preparing for a sale is a key objective of corporatisation in 2013 and the business is now largely optimised and sale-ready.

Now that the sale is not proceeding, does that mean that the Forestry Corporation will change its business practices and operation?

Mr JOHN BARILARO: I think we can now use the scoping study work and what we are now looking at post-fires is a business plan that allows us to grow the business of the Forestry Corporation. A big part of it are the pine plantations. As I said earlier, we have lost some of our best estates down south, but today's announcement of the \$46 million injection and equity into Forestry Corporation allows us to plan for the future. But it also gives opportunity to do things differently. I know there are lots of ideas about what it looks like going forward. For us the Forestry Corporation is an important State-owned corporation. It is important in the sense that it actually underpins an industry in regional and rural New South Wales that is so important for survival of our communities. Through supporting those communities, through the mills, the supply chain, as we heard earlier, the haulage companies, the contractors on the ground, it is all important. I think there is an opportunity now off the back of the scoping study where we have been able to identify exactly the assets, the business model of the Forestry Corporation and now post-fires it gives us an opportunity to look at a bright future for the industry. Yes, there is a bit of pain in the medium term, but long term I think there is an opportunity in front of us.

The Hon. MICK VEITCH: The equity injection you were just talking about, is that for land acquisition?

Mr JOHN BARILARO: No. Today's announcement from the Treasurer in relation to the stimulus off the back of coronavirus, part of the \$2.3 billion package, is actually about the need of the Forestry Corporation. Forestry Corporation has been working with Treasury about the need of an injection to deal with the impact of the fires.

The Hon. MICK VEITCH: It is not for land acquisition?

Mr JOHN BARILARO: No.

The Hon. MICK VEITCH: The \$24 million that was budgeted previously for land acquisition, has that been expended or is it going to be?

Mr ROBERTS: We did spend some money. Land was particularly expensive. I think we bought about 350 or 400 hectares in total when we started the program.

The Hon. MICK VEITCH: That was at Oberon?

Mr ROBERTS: There was Oberon and also down at Tumut and Tumbarumba. Those funds are still within the corporation.

The Hon. MICK VEITCH: How much is left? You can take that on notice.

Mr ROBERTS: Yes, I will.

The Hon. MICK VEITCH: Are there any strings around the equity injection today that you just spoke about?

Mr JOHN BARILARO: Let me look at the fine print later. We know off the back of the fires that we have done a quick evaluation in the Forestry Corporation and the need to start replanting. As I said, we have got to replant. There is going to be an economic boost off the back of that. What else we will need with that \$46 million, the Forestry Corporation has a plan going forward. It would have worked with Treasury, I assume, in a plan.

Mr ROBERTS: We have.

Mr JOHN BARILARO: Maybe we can talk to that further.

The Hon. MICK VEITCH: In your absence, we have been exploring the post-fire activity of particularly the softwood plantations, softwood sections. So potentially that is what we have been asking about. With regard to the \$46 million, it is just for State Forests or is it also for the communities that State Forests are active participants in?

Mr JOHN BARILARO: The injection is into the Forestry Corporation. There is no question, Mr Veitch, that we have to look at more support for the broader industry and the work that Gary Barnes has done in his team is looking to that and we will work with Federal Government. There will be announcements and there is going to be a need for other investments across the board—from the timber industry to the orchards up at Batlow. I have met with them; they will need multimillion-dollar investment, the oyster leases. The truth is, some of their impacts may not be seen until six months down the track. The loss and the impact on the dairy farms and the housing supply chain into—

The Hon. MICK VEITCH: The apiarists?

Mr JOHN BARILARO: Yes, the apiarists are another big issue. That has been an ongoing issue for a long time. There is going to be an industry package that is designed to support. We will work with Federal Government, so there is more to come. Today's injection off the coronavirus announcement is to do with the Forestry Corporation and what it has identified about going forward in this financial year.

The CHAIR: We will continue until about 12.10 p.m. to accommodate another round of crossbench questions to the Minister. We will go to Mr Field.

Mr JUSTIN FIELD: Minister, just on that \$46 million equity injection, is there anything that that is tied to, any particular outcomes, or is that just money for the Forestry Corporation to do with what they think they need to to recover the business?

Mr JOHN BARILARO: No. I will refer to Mr Roberts but it is not to do with—they would have worked with Treasury in relation to some of the immediate investment required because this money is in this financial year. I am more than happy for Mr Roberts to expand.

Mr ROBERTS: Yes, there are some areas that we were particularly looking for funding. I have not actually seen the announcement. I understand that the equity injection has been made. So if I can give you a bit of a feel for some of the areas that we are looking at, we have lost a lot of bridges across the hardwood forest, in particular. They are old timber bridges made with timber girders and, unfortunately, many of those were destroyed in the fires. We have a lot of culverts that are out and a lot of road signs that are out. So that is one immediate need. We need to get access back into those forests for the community, for recreational tourism, for people who use forests to get to their homes—

Mr JUSTIN FIELD: This is native forests as well as softwood plantations?

Mr ROBERTS: Yes, I am talking mainly about our hardwood forests, about our State forests, on the North Coast and South Coast. That is one of the priority areas we are looking at. We also then have a big program in the arrowhead to get ready for the first year's planting. We have talked about the 10,000 hectares we are looking to plant down in Tumut, so there is a lot of work that we were looking for some assistance with there, and then we also were looking at the nursery expansion. Those are some of the key areas that we were looking at. There is the timber storage idea, all sorts of other things as well. I have not seen any of the details.

Mr JUSTIN FIELD: Thank you, Mr Roberts. It sounds like great news. That is where you want to be going with the virus—into the national parks and State forests.

Mr ROBERTS: Yes, we are delighted.

Mr JUSTIN FIELD: Deputy Premier, why have the petroleum exploration licences—I think there are about 14 in the north-west—not been extinguished yet?

Mr JOHN BARILARO: Sorry?

Mr JUSTIN FIELD: The expired petroleum exploration licences [PELs]. You made some public comments about it last year or the year before. It was subject to a National Party motion. It was quite widely covered. I think the intention was the National Party was going to have them extinguished.

Mr JOHN BARILARO: Have a look at what the National Party has done. I mean we inherited—

Mr JUSTIN FIELD: Not extinguished them?

Mr JOHN BARILARO: Hang on, when we came to this State we inherited 70 per cent of the State covered in PELs. Today it is 7 per cent. I mean, that is a huge reduction. The active ones we have going at the moment—

Mr JUSTIN FIELD: That is not the question.

Mr JOHN BARILARO: What is the question?

Mr JUSTIN FIELD: The question was about the expired petroleum exploration licences that you said were going to be extinguished that have not been extinguished. I am just asking you why they have not been extinguished.

Mr JOHN BARILARO: I do not know. I will take that question on notice.

Mr JUSTIN FIELD: Are you aware of the upper House inquiry recently that reported that 14 out of the 16 recommendations of the Chief Scientist in her review into the coal seam gas industry in New South Wales, in their view, either had not been implemented in full or at least half had been or not at all?

The Hon. TREVOR KHAN: A bit of contention.

Mr JUSTIN FIELD: Well, interestingly, Government members on the inquiry did not make it a dissenting report. I found that interesting, Deputy Premier. Are you aware of that inquiry report?

Mr JOHN BARILARO: I am aware of the report.

Mr JUSTIN FIELD: Do you think it is appropriate to proceed with a referral to the Independent Planning Commission [IPC] of that project when there is now a great deal of uncertainty about the regulatory environment for coal seam gas in New South Wales?

Mr JOHN BARILARO: Not really. Firstly, they are two separate issues. We have a planning system in this State where the planning department makes a decision. The planning department goes through a process with the technical aspects of any proposal, like the Santos Narrabri gas proposal. That has now been referred to the IPC, an independent body, to deal with it. That is separate. In relation to those regulations, yes, we would

disagree that those recommendations, to the extent of the inquiry report, that we are honouring, meeting those recommendations. Do remember this is back in 2015, to the point that I made earlier, that 70 per cent of this State was covered in PELs and it is now 7 per cent. That was on the brink of what was possibly going to be a significant industry in gas in this State. Well, that has not occurred and when you look at those recommendations, you put them into context, it is to deal with an industry going forward.

We will now work and will continue to work—and the Minister for the environment has made commentary around that, especially around those recommendations, that we will honour those recommendations. We will work through those recommendations as a Government to make sure we have an industry. But we are proud that if there is a gas industry in this State it is going to be an industry that is transparent and one that has come off the back of one of the hardest processes—the triple-bottom-line approach to the gas plan—in this State for any approval. That is why it has taken a long time. We get criticised because we have not fast-tracked this Narrabri project. Well, we are not going to fast-track it; we are going to go through the process. Now we are at the middle of that. The recommendations off the back that inquiry and the inquiry from the upper House committee, by all means, they have been critical of the Government that we have not completed all those recommendations. But once and if an industry does actually arise, those recommendations are important and we will continue to work to it.

Mr JUSTIN FIELD: Do you agree with the New South Wales environment Minister that all the recommendations should be implemented before any drilling occurs in New South Wales?

Mr JOHN BARILARO: Say that again. What was his comment?

Mr JUSTIN FIELD: His comment—and I think this is a fairly accurate and direct quote—was that no drilling for gas, no project, should proceed until the Chief Scientist's recommendations are implemented in full.

Mr JOHN BARILARO: Again, that will come down to interpretation if those recommendations have been implemented. My view is, as I said earlier, that those recommendations came off a time in this State, 2015, when there could have been a significant industry around gas. There is not going to be. Now, if you look what is in front of us, we only have a couple of proposals in front of us. But those recommendations are important. We will deal with it. I do not know if Minister Kean did make such a comment or not; I cannot speculate.

Mr JUSTIN FIELD: You often speculate about Mr Kean, Deputy Premier.

Mr JOHN BARILARO: That is not speculation, I can promise you that. Whatever I had to say in the past I stand by.

Mr JUSTIN FIELD: One of the critical issues in the lead-up to the gas plan and subsequently has been the issue of landholder insurance. The committee found that the sorts of insurance that were envisaged are just not really available for landholders. I would encourage you to have a look at the inquiry's findings because it did largely take evidence from the public service, people who work in this area.

Mr JOHN BARILARO: As I said, the Government will respond to that inquiry report in full. I saw the report come out, we looked at the recommendations, but there is a lot of detail that I am not aware of. So I will take that on board, Mr Field, and read it.

Mr JUSTIN FIELD: Deputy Premier, there was a review of the changes in the native vegetation Act, moved to the Biodiversity Conservation Act and the Local Land Services Act. It was done at the start of last year, reported by the Government in the middle of the last year. We still have not seen that review done by the NRC. What is the hold-up on a Government response and the release of that report?

Mr JOHN BARILARO: Not sure if that is actually applicable to me but I can go to Mr Hansen.

Mr JUSTIN FIELD: It is not for you but I think you are well aware of it and I know there are discussions about the topic.

Mr JOHN BARILARO: There are plenty of reviews, there are plenty of reports and they get released when the Government releases them. Especially if they are not in my own bailiwick, if it is not my own responsibility, I can only hope to see the report released to the public because we want transparency around biodiversity legislation. We believe a lot of it has empowered our farmers to be productive but at the same time when it comes to conversation, rightly so, they are remunerated for conservation, some of it. But our farmers are the best conservationists; they have done it for generations. I have said this before and I will say it again: Empowering our farmers to look after the land is not a bad thing.

Mr JUSTIN FIELD: So you have no objections to the NRC's review of the Act and the Government's response being made public?

Mr JOHN BARILARO: At the same time, I have not seen it. So let me come back to you on that one.

Mr JUSTIN FIELD: You have not seen it? You are telling me—is that your evidence to this Committee, that you have not seen the NRC's review of native vegetation clearing since the new Act came in?

Mr JOHN BARILARO: My office has a copy of it. I have not had time to spend to read it.

Mr JUSTIN FIELD: Have you been briefed on it?

Mr JOHN BARILARO: Slightly, yes.

Mr JUSTIN FIELD: You have not seen it, you have seen a briefing—have you had a verbal briefing? Have you been giving a briefing note?

Mr JOHN BARILARO: No, I have been focused on the recovery of fires at the moment.

Mr JUSTIN FIELD: This was given to government well ahead of the fires, Deputy Premier.

Mr JOHN BARILARO: Exactly, but my focus in the past few days—and I know that you have spoken to my office in relation to that report. I am aware of that, I have been briefed about that and there has been conversation between you and a relevant member of my office. That is as far as I have been included. I am aware of what has been happening and I think we have given you, in one way, the respect, as a member of this House and someone who cares about this issue, the privilege of actually getting information. You probably know more about it than I do.

Mr JUSTIN FIELD: I do appreciate that respect, Deputy Premier, and I do acknowledge that your office has been very open with mine about these issues.

Mr JOHN BARILARO: All I am saying is that I have not had the time to spend getting the full detail of it, Mr Field.

Mr JUSTIN FIELD: Fair enough.

Mr JOHN BARILARO: I rarely want to make comment unless I know all the ins and outs, and I just have not. That is the honest truth: I have not because I have been focused on bushfire recovery this year.

Mr JUSTIN FIELD: Moving on, Deputy Premier—how long do we have, Chair?

The CHAIR: Thirty seconds.

Mr JUSTIN FIELD: I might leave this to Mr Roberts and Mr Hansen after the break.

The Hon. EMMA HURST: Thank you for returning, Deputy Premier. I only have a couple of questions. I want to talk to you about the brumbies in Kosciuszko. In December last year you were quoted in *The Australian*, saying that you are:

... committed to fertility controls as a humane and necessary measure, which would be trialled before a wider adoption.

Can you tell me a little bit about the status of those immunocontraceptives and the trials?

Mr JOHN BARILARO: I am really just a bystander in this. This is the local member who is passionate about the brumbies in the Kosciuszko National Park. Minister Kean, the environment Minister, and National Parks will look at a number of different tools. We have the community committee that has a membership of all the stakeholders, plus the scientific committee, which will work towards how we manage those brumbies in the park. There is no question that there is contention about the number of horses in Kosciuszko. We have to protect the wilderness areas; we have to protect, of course, the habitat up there. It is one of the most pristine parts of the country that we have and we have an obligation to protect it but, at the same time, find a balance about where and what number of brumbies you may leave in the park.

We are looking at a range of tools in relation to removing horses, homing horses—some of these horses will end up in an abattoir and I cannot pretend and I cannot make it any prettier than that. It is the truth but, at the same time, we will find a balance. Long-term fertility control is important, but that is a question for Minister Kean in relation to where that may be in relation to National Parks' approach.

The Hon. EMMA HURST: You just mentioned as well, and it was also mentioned in that media article, the idea around relocating the horses to less environmentally sensitive areas. Do you have any further information—I do understand, obviously, a lot of this would fall to the Minister for environment but I was just—

Mr JOHN BARILARO: As the local member, Ms Hurst, this is something that we are really passionate about. If you look at the rehoming numbers in the past, you are only rehoming between 20 per cent and 25 per cent. There is going to be a more focused approach. I would love to see more horses rehomed and there are groups that will take more horses but, at the same time, there is an opportunity to have horses in parts of the park. Even the scientific committee, even those in National Parks, have said that there are parts of the park that could host and home a number of horses. That has been the contention about what is that final number.

There has been a survey done that identified the number of horses and we have just announced recently that we will be removing horses to mitigate the impact of what has happened with the fires. Rehoming has to be at the heart of what we are doing. There is a community out there that wants to see that number increased and I think there has to be a more targeted and focused approach in rehoming.

The Hon. EMMA HURST: Given your support of immunocontraceptives for brumbies, are you broadly also supportive of immunocontraceptive controls, or other kinds of contraceptive controls, for other introduced animals—for example, free-roaming cats and other species?

Mr JOHN BARILARO: I think we have to protect the environment as best we can. The focus has been for a long time on horses and the brumbies in the park, but I know that deer, pigs, dogs, cats, rabbits—the impact they have had on that wildlife, on that environment and that landscape is significant. We should never rule out any measure for pest control across—

The Hon. EMMA HURST: And within that pest control, are you quite supportive of situations like immunocontraceptives—

Mr JOHN BARILARO: I would be, but I would argue that at this stage the issue, because of the size of the beast being the brumby—this is something that we will have to—that I would believe would be a priority for brumbies. Beyond brumbies, again, that is something for the environment Minister to talk about.

The CHAIR: Minister, before you left we were talking about the koala SEPP and you were talking about its failings. We are probably on a unity ticket there.

Mr JOHN BARILARO: Yes, we are, mate.

The CHAIR: I just want to clarify how far that unity ticket extends. Do you agree that the data is inaccurate—it is just predictive mapping?

Mr JOHN BARILARO: Absolutely. The mapping I have a problem with.

The CHAIR: Do you agree that the increase from 10 species of tree to 123 without any clear indication as to whether they are primary, secondary or supplementary peak trees—do you think that is an area of concern?

Mr JOHN BARILARO: We should be focused on core habitat and if that is not the case then I have a concern with—

The CHAIR: Do you agree that the science around the 18-year figure has been corrupted around core koala habitat? They are actually misquoting scientific papers about what the 18-year measure actually is talking about.

Mr JOHN BARILARO: I have concerns about the data that is justifying the SEPP 44. Yes, I do.

The CHAIR: Is your assertion that these guidelines will somehow unscramble this mess?

Mr JOHN BARILARO: There is an opportunity, and this is what we are doing and we are working with the Minister for planning about how we are able to deal with this SEPP 44. As I said earlier, there is no question right now off the back of fires globally people are watching how we support koalas and their habitat going forward. I think we should never lose sight of that. At the same time, I do not want to see this as an opportunity to attack an industry or an opportunity in the regions to sanitise land that could possibly be there for economic uplift, including impact on our landholders. So I have a concern. I have a number of concerns from, as I said, how the SEPP 44 impacts on timber, on agriculture and even growth of regional communities.

I have written to Minister Stokes raising those very concerns. If there is a way that we can work through identifying solutions and the SEPP 44 can exist, I am more than happy to see a SEPP continue. But not at this

stage with the guidelines that we are understanding and the mapping, it is very difficult to support the SEPP in its current form.

The CHAIR: If the guidelines come back and they do not satisfy your concerns, will you take a step further to oppose them?

Mr JOHN BARILARO: Absolutely. As the Deputy Premier and someone who sits in Cabinet, I have a number of means in how we could raise the issue and how we can find a solution. I will leave that. As I said, we are in a consultation period and we will work through where we end up. As I said clearly, we have concerns and I have written on behalf of my members to the Minister.

The CHAIR: Just one final question: My colleague Roy Butler wrote to you regarding a particular emerging industry, where they are taking end-of-life tyres and turning them into carbon and oil products and it is 100 per cent capturing those products. They were seeking some assistance from your Government in terms of guaranteeing some funds. They have the customers, they have the market—they just need a guarantee so that they can capitalise on this market. Where are we at with that?

Mr JOHN BARILARO: I have seen the correspondence and I am not sure if I have responded yet, but these are the sorts of industries that, absolutely, as a nation and as a State—especially with even the plastic ban that the Federal Government has announced—we can grow in regional New South Wales, their industries. That is why we are always looking at opportunities to support industry across the board, especially new industries. If you look at the 20-year economic plan for regional and rural New South Wales—the blueprint—it identifies areas around energy as opportunities for industries and new industries, including recycling. So I will give you a further answer when I get an opportunity to respond to Mr Butler.

The CHAIR: Thank you. We have about five minutes. Are there any questions from Labor?

Mr HANSEN: Chair, would now be a good time? The question about burial pits came up earlier in the day. Just to close that off, we know that there are over 50 burial pits. All have been GPS marked and located and all have been finalised. The last one was actually done on the South Coast in mid-January, just days after access was granted. We would be very interested in anyone who has a photo of anything recent and current, because they are obviously part of the—

The Hon. MICK VEITCH: I am happy to hand it up—it is the newspaper 6 March. So unless they were using an old photo in their story—

Mr HANSEN: I think that might well be the case. We have not seen anything—

The Hon. PETER PRIMROSE: Deputy Premier, can I ask you on jobs, in respect of the bushfire disaster, what analysis has been undertaken of the number of jobs that have actually been likely to have been lost over time as a consequence of the bushfires?

Mr JOHN BARILARO: That is a good question. It is probably a moving feast. I am not sure of what work has been done. Mr Barnes?

Mr BARNES: One of the things that is happening both in the industry plans and in the renewal of the regional economic development strategies is jobs analysis.

The Hon. PETER PRIMROSE: Can we get a copy?

Mr JOHN BARILARO: As soon as we get some work done, we will be more than happy to share that information. I also note, there was a question earlier about fencing while I was away. In today's announcement, part of the \$250 million package of infrastructure programs, money is set aside for Crown lands fencing.

The Hon. MICK VEITCH: Exclusion fencing?

Mr JOHN BARILARO: No. We have lost a lot of fencing during the bushfires, so that is actually a big part of it.

The Hon. MICK VEITCH: Just to be clear, was part of that money set aside for exclusion fencing?

Mr JOHN BARILARO: No, fencing in general.

The CHAIR: Nice try the Hon. Mick Veitch.

Mr HANSEN: Just on that, it does not actually specify what type of fencing. If the landowner wants to use it for exclusion fencing—

Mr JOHN BARILARO: We can do it. There you go.

The Hon. MICK VEITCH: That would be good.

The CHAIR: Minister, that concludes our time with you. If there are any questions on notice, the secretariat will be in touch. The Committee will resume at one o'clock.

(The Deputy Premier, and Minister for Regional New South Wales, Industry and Trade withdrew.)

(Luncheon adjournment)

The CHAIR: Welcome back everyone to the budget estimates into Regional New South Wales, Industry and Trade. We will go to the Opposition.

The Hon. MICK VEITCH: Without Mr Betts directing the traffic here, you are just going to have to nod when you think it is yours and put your hand up. I have some questions around resources for the regions.

Mr BARNES: That would be Chris Hanger.

The Hon. MICK VEITCH: My questions relate to the Resources for Regions Strategic Review from November last year. There were eight recommendations. What is the implementation progress of those eight recommendations?

Mr HANGER: We have been consulting with stakeholders. As you would be aware, that review is public so people have seen the outcome of the review. The program, as you would know, has run for multiple years. We realise, as everyone does when you review programs, that there are opportunities to tweak those programs. We have seen that with Resources for Regions. We have been spending the past couple of months since that review has been completed working with the key stakeholders, those mining-impacted communities on what is the future of this program. What are the tweaks that we need to implement? What is the best way to ensure that the program delivers what its objectives are—which is to support those communities?

The Hon. MICK VEITCH: After recommendation eight in the report it says, "Next steps" and it says, "New round of updated Resources for Regions will open in the first half of 2020." We are now midway through the first half of 2020. Has it opened or when will it open?

Mr HANGER: No, it has not opened as yet. That was the topic of conversation most of this morning with bushfires, now coronavirus and drought. We want to ensure that we get this right and we ensure that it goes into a community at a point where they are ready to be able to respond. Many communities are already really quite busy, obviously responding to drought, responding to bushfire recovery and now coronavirus as well. The Government is committed to open it before the end of this financial year, so the first half of this year.

The Hon. MICK VEITCH: It is still on track then for the first half of 2020?

Mr HANGER: Yes.

The Hon. MICK VEITCH: Local government areas obviously have a real interest in the implementation of those eight recommendations. I take it you are engaging with all of the LGAs that are involved, particularly in the mining-related councils?

Mr HANGER: That is correct, yes.

The Hon. MICK VEITCH: It is still \$24 million that is being allocated for this next round?

Mr HANGER: That was the funding that was left over from the last round. One of the reasons that we needed to do a review is—and this may take a bit of time, just to talk through the structure of Resources for Regions. It is a restart program. It requires a benefit-cost ratio above one. What we have found is: as the program has continued, the number of projects to achieve that benefit-cost ratio above one has diminished. You find that many of the projects in the earlier rounds were successful and program rounds were fully subscribed. We are now finding that that is not the case. What that tells us is, we obviously need to look at the program design. Last round legislative requirements for restart are that it has a positive economic benefit and that is measured by a benefit-cost ratio. Any project that was able to achieve that was funded but, as you have indicated, there was a shortfall so not all the projects that were submitted were able to achieve that.

The Hon. MICK VEITCH: The \$24 million then is a carryover. Is that going to be topped up or is the next round going to be \$24 million?

Mr HANGER: No, it will go into the next round.

The Hon. MICK VEITCH: This is the mid-year 2020 calling for applications?

Mr HANGER: Yes.

The Hon. MICK VEITCH: That \$24 million may well be more. Would that be fair to say?

Mr HANGER: Yes, the Government will obviously go through its budget processes and work out the exact size of the round.

The Hon. MICK VEITCH: Have all of the 11 projects that were funded under round six commenced?

Mr HANGER: I will have to take that on notice. I would expect there may be some negotiations still ongoing, but I will take that one on notice and confirm whether they have actually got shovels in the ground yet.

The Hon. MICK VEITCH: The other part of that question, those that missed out as part of the strategic review and the eight recommendations that have gone out for consultation, have we sought feedback from the applicants that missed out?

Mr HANGER: We provide detailed feedback to any applicant that is unsuccessful in the regional growth funds, which includes Resources for Regions and Growing Local Economies. If your project is unsuccessful, we will provide one-on-one feedback to that applicant on how they can strengthen their project and what might be other funding sources for those projects.

The Hon. MICK VEITCH: Just recently I was in Singleton and they were pretty keen to find a list of where all the projects that have been funded under Resources for Regions over the entirety of the program could easily be found.

Mr HANGER: We have a website that lists all the Regional Growth Fund projects. I can direct people to that. The 2,100-odd projects that have been funded through the Regional Growth Fund are all listed on a website with details of each project.

The Hon. MICK VEITCH: And the funding source, so the program source?

Mr HANGER: That is correct. If it is Resources for Regions, what is now the Department of Planning, Industry and Environment has only administered the last two rounds of that; it has been Infrastructure NSW overseas. But we can provide details of every project that has been funded under Resources for Regions.

The Hon. PETER PRIMROSE: I am not too sure who to ask, so I will throw these questions out here. Again, digging down in relation to the clean-up by Laing O'Rourke.

Mr BARNES: That will be Rebecca Fox.

The Hon. PETER PRIMROSE: I understand that Laing O'Rourke is a multinational company headquartered in the United Kingdom. That is right, is it not?

Ms FOX: Yes, that is my understanding.

The Hon. PETER PRIMROSE: I am not asking you to reveal what is in their contract because I understand that is secret; however, are they offering the clean-up service at cost or are they profiting from the Government contract?

Ms FOX: That is a difficult question to answer simply. They will be making some profit. I suspect there has been information in Victoria that Grocon do the Victorian clean-up at cost. I do not know that contract either but I know hypothetically most of these clean-up contracts, particularly the Victorian model in 2009, was done on a cost-plus basis.

Ms FOX: Each company that tenders for that work has different components on what is a fixed cost, what is the management fee, what is the plus part with the margin and if hypothetically you were to say that the plus part that you charge on the subcontractor's actuals only covers your back office, your payroll, your IT, you could argue that was done at cost. But, for example, you might also have 200 people in the field, on-site people who are charged differently. Laing O'Rourke I am sure are making some money out of that. It is structured as a cost-plus contract but everybody has different parts of their work that is included in the margin or included in fixed costs. Does that answer your question?

The Hon. PETER PRIMROSE: That sounds suitably confusing.

Ms FOX: I will try to make it simpler. Most commercial businesses do not do things for free. They generally make a profit, that is why they are still in business. Cost -contracts, the margin that businesses make,

you could argue that was done at no cost if it only covered your back office staff, which is what my understanding is that happens in other jurisdictions.

The Hon. PETER PRIMROSE: Is there a fixed cost or is there a cost per unit clean-up? Can you advise how the costs actually work out?

Ms FOX: There is a fixed cost for a management fee. It is a managing contract model and they are generally set up, without commenting specifically on the Laing O'Rourke contract, where the managing contractor has some fixed fees that runs their head office, their project management office and then they generally take another amount on top of the actuals that are charged to do the clean-up.

The Hon. PETER PRIMROSE: That is per unit, let us say per house?

Ms FOX: Yes, there are schedules of rates that are submitted as part of a standard GC21 contract. That managing contractor model is used when the scope is uncertain. It is not a fixed price, lump sum fixed time contract. So when we procured that the fires were still burning, we did not know how many properties we had and that is the most flexible model we could use to cover the ongoing disaster.

The Hon. PETER PRIMROSE: Are there benchmarks that Laing O'Rourke have to meet in terms of being paid?

Ms FOX: There is certainly an audit and assurance process and certain things that they have to provide in order to be paid. Public Works is running that assurance and audit process across the top of that contract.

The Hon. PETER PRIMROSE: So that is in addition to the contract? I am trying to work out is that publicly available, what those milestones are?

Ms FOX: I do not think they are milestones, in effect. It is effectively 4,000 tiny little jobs. The clean-ups take two days, three days per property on average. So, it is effectively managing 4,000 little jobs and those actual works are generally being done by local contractors on the ground. Those prices come back up and are reviewed and submitted. Laing O'Rourke is paid to manage that process.

The Hon. PETER PRIMROSE: How do you know that they are actually meeting their obligations?

Ms FOX: We have a schedule that is monitored and Public Works Advisory role is to administer that contract in accordance with the interests of the community and the interests of the Government.

The Hon. PETER PRIMROSE: That is what I am trying to work out. How will the community know that the milestones are being met or falling behind?

Ms FOX: That is being monitored regularly the same way that any contract is monitored. There is a schedule. They have a contractual obligation to do that initial scope of works by the end of June. They are on target to meet that and we are monitoring that. The schedule obviously changes as we add more properties and that is Public Works Advisory role in that space.

The Hon. PETER PRIMROSE: I well understand that it is secret and we cannot know how much they are being paid. But is that aspect that tells us how well they are performing that is being monitored secret?

Ms FOX: I do not think that is secret, no.

The Hon. PETER PRIMROSE: How would someone in the community who has been affected by the fires have access to that? For example, I am someone in Conjola. I am really concerned that nothing is happening. Certainly nothing is happening to my property. I know there is this large multinational firm who has been contracted. I want to know whether they are actually meeting the contract. How do I find that information out?

Ms FOX: I am not sure that meeting the contract is the right question for a member of the public. It is whether or not their property will be cleaned up and there is a rolling schedule. That schedule is affected by a whole variety of things such as the availability of waste, availability of contractors to do the work, consent from the home owners. That schedule is being monitored by Public Works Advisory and released as we go through three weeks in advance. It is changeable, in order to get the work done, and the commitment is that the majority of the work will be done for people who have opted into the program by the end of June.

The Hon. PETER PRIMROSE: Today there would be a schedule available, I will call them of milestones, but I could call them key performance indicators or whatever, that Laing O'Rourke has agreed and undertaken to meet. Can that be made available to the Committee?

Ms FOX: I do not know that there are milestones. There is a forward program of work to be done that is changing and is set for the next three weeks that is available and on the website, yes.

The Hon. PETER PRIMROSE: They could fall totally flat on their face, not doing any work, and no member of the community would know about that. We are getting lots of people telling us that nothing is happening around there. I am trying to get some sort of idea from the Government, who has a contract, how you measure whether or not Laing O'Rourke is doing a fantastic job or not?

Ms FOX: We have a schedule that is changeable due to the scope of the works, because people have to opt in, and the government is monitoring that schedule.

The Hon. PETER PRIMROSE: I ask again, can you make that schedule as of today available and also make available the criteria used to monitor that?

Ms FOX: Yes, I can make that available. The schedule is on the website and we are monitoring that. So we can make that available.

The Hon. PETER PRIMROSE: Can you make available the criteria you use to monitor that?

Ms FOX: Yes, no problem.

Mr BARNES: The other thing is, as the Deputy Premier would have said, it is a slow start-up in terms of actually removing the waste material. The assessments are ahead of schedule and the modest targets that you will see in the schedule that is published are also ahead of schedule. At the moment we are very confident that we will be able to meet those targets notwithstanding the impacts of coronavirus and other things that may come in.

The Hon. PETER PRIMROSE: You are saying it is all ahead of schedule of what you predicted?

Ms FOX: It is on schedule, yes.

Mr BARNES: Yes.

The Hon. PETER PRIMROSE: You would say that to the people in Conjola?

Ms FOX: I think that has to be answered in two parts.

The Hon. PETER PRIMROSE: How about yes or no?

Ms FOX: Yes.

The Hon. TREVOR KHAN: How about they are entitled to answer that as they see fit.

Ms FOX: We cannot underestimate the extent of the devastation and people who have been waiting for a long time, we understand that. Even if it was all done tomorrow some people would still be unhappy and it is not possible to do it all tomorrow. Recognising that there are people in very difficult situations on the ground, that contract is working particularly well, given the fact that it is a very large contract, very difficult to administer, very difficult to run from one end of the State to the other. I am very comfortable that it is being run very well. That does not mean that there is not somebody in Conjola who could have been done earlier or would have liked to have been done earlier. We are cognisant of the fact that it is very difficult for the people on the ground. The contract is being administered and running very well and Laing O'Rourke are working very hard in that space as are the Public Works Advisory team.

The Hon. PETER PRIMROSE: No concerns at all from the Government about how it is going?

Ms FOX: Not at this point in time from a contractual perspective.

The Hon. PETER PRIMROSE: I am sure the people of Conjola will be pleased to hear that.

Ms FOX: As I said, we recognise that it is very difficult on the ground and it is always difficult. Our staff are working and living in those communities as well and they are also working extremely hard to do the contracts.

The Hon. PETER PRIMROSE: You have set the criteria for the evaluation and you are telling me that as far as you are concerned that is being done?

Ms FOX: Yes, that is right.

The Hon. MICK VEITCH: Can I ask, following on, what is the time frame for the contract with Laing O'Rourke?

Ms FOX: The length of contract, again it is a managing contract, which means that there is no fixed time or fixed price, which is why it has been set up like that. When we went to tender we estimated at that time, again, the fires were still burning, that we had 2,800 properties to do. That was based on the building impact assessments and we were looking primarily at residential buildings then. We have since added some eligible commercial properties, small business and rural primary producers to that and we have to look at the opt-in data as well. I think we have just over 4,100 eligible properties registered at the moment. The scope increases and we make a variation to the contract. That scope increases—Laing O'Rourke have increased their resources to try and get the majority of the increased scope done also by June. We may have to push that out over time.

The Hon. MICK VEITCH: With regard to the local contractors, there are two aspects to this question: What is the mechanism in place to ensure that local contractors are being used and that they are also being paid?

Ms FOX: Yes, there are several contractual mechanisms in place. Again, it is managing contract arrangements so Laing O'Rourke are engaging directly with local suppliers more than they would perhaps in a lump sum fixed price contract. They are making regular payments to those subcontractors. Again we have an assurance and audit function by Public Works Advisory across the top of that to make sure they are being paid and work is being done. It is quick simple work. We are not building anything. It is demolition work. As I said, it only takes on average two to three days per property. It is effectively a program running across 4,000 very small jobs. The amounts of money are going out quickly to local contractors and there is an obligation in the contract for Laing O'Rourke and there is a NSW Procurement Board direction also that we need to use local contractors first, which is what we are doing. I think the numbers at the moment are 66 per cent local contractors used to date. The definition of local is somebody with a business address in the local government area where the work is being delivered. I think there is one interstate contractor being used to date, which will probably be up north and the rest are regional contractors.

The Hon. MICK VEITCH: I was talking to the Minister about exclusion zones and the conversations around each individual block develops a scope and that is submitted for works. Does the clearing of the block or the site include removing the concrete slab or concrete that may be left over?

Ms FOX: Concrete slabs are included in the scope. Some people we know from practical experience, in particularly public works, have previous experience doing this work that particularly people that are uninsured often do not want the concrete slab removed because it will save them in rebuild costs. That is one of the reasons that we do an individual bespoke consent agreement on site. Obviously there are issues with structural integrity of concrete slabs once they have been burnt and that needs to be worked through and agreed with each individual home owner.

The Hon. MICK VEITCH: That would be an engineering inspection as part of developing the scope?

Ms FOX: It is done on site. I do not think there is specific engineering there but if somebody wanted to keep a slab there they would be asked to get that engineering advice. We would certainly assist in that process.

The CHAIR: Mr Hansen, it is correct that the Department of Primary Industries has an obligation to control pests humanely, is that not right?

Mr HANSEN: Everyone in the State has an obligation to control pests and to do it humanely, yes.

The CHAIR: Are you familiar with the study done by some of your staff, Trudy Sharp and Glen Saunders, *A model for assessing relatively humaneness of pest and animal control methods*?

Mr HANSEN: Not off the top of my head, no.

The CHAIR: I might pass that down so you can see what we are talking about. At the back it has a series of graphs that looks at the humaneness of all different methods of controlling pests. The one that outperforms all of them in terms of humaneness is ground shooting. In particular, it outperforms aerial shooting. It also outperforms all the other chemical methods.

Mr JUSTIN FIELD: Do you know anyone who is good at that?

The CHAIR: I have a few people in my phone book. My question is if this is the case and this has come from your own department why are we still utilising aerial shooting, particularly on areas that you control or land masses that you control? Why are we still persisting with an inhumane method?

Mr HANSEN: In terms of the relativity that exists in the back of these graphs I note that in terms of humaneness, for example, feral goat control methods, trapping and mustering is actually rated as more humane than ground shooting, which is again rated as more humane than aerial shooting. With feral pig control—

The CHAIR: Aerial shooting versus ground shooting, ground shooting always provides less suffering, would you agree?

Mr HANSEN: A couple of these ones here, there is not much in it, if you look at feral pig control methods. It comes down to the effectiveness of the campaign that is carried out, the terrain, the size and scale of the operation being done. Any feral animal control program is going to look at the full suite of tools available to it and make the decision of the best combination of controls they have for either landscape wide control that they are doing or the localised property or localised issue that they are trying to address. Hopefully they will take into account this 2011 report that you have given me. It will also be looking at what the end of the objectives of the campaigns are or the activities as well. For example, it is not always practical to use mustering as a tool, nor trapping, even though they might be rated as even more humane. It is a combination of the most appropriate tool for the most appropriate job.

The CHAIR: Mr Roberts, it is my understanding that for any aerial shooting to take place on State forest land an approach first needs to be made by yourself to the group that would be conducting that. You would have to ask for the assistance rather than it be offered to you. It is my understanding that local services undertook an aerial pest control shooting program in Vittoria State Forest on 12 and 13 March and there is another aerial pest control program scheduled for the Jenolan State Forest between 31 March and 2 April. First of all, is my assertion correct about the relationship between the Forestry Corporation and LLS and who engages who?

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

The CHAIR: Are you aware that aerial shooting programs have taken place? One has taken place and one is about to take place?

Mr ROBERTS: I was aware that there were some conversations going on about a particular operation taking place up near Bathurst but that is as much of the detail as I have.

The CHAIR: Are you aware that the State forest is designated for public land hunting?

Mr ROBERTS: Yes, I think that was mentioned in one of the conversations.

The CHAIR: In that conversation what processes were bandied about in terms of managing that risk or that overstepping by LLS in terms of a program that is already in place?

Mr ROBERTS: In terms of the risk, if there was going to be an active operation like that, the forest would be closed. We would also always engage with the game licensing unit about anything that was going to be undertaken with regard to feral animal activities on our forests.

The CHAIR: Are you concerned that it is a well-known fact that hunting has contributed to the economy? We have seen in recent studies that these communities are already struggling with the bushfires and we are now pulling another rug out from underneath them. They are not having those people coming in and contributing to the economy, because we have LLS unnecessarily going up in helicopter gunships when the agriculture Minister has already told me that he has plenty of places that they could go to.

Mr ROBERTS: It is not our decision as to where they go and what they do. I can say that in terms of the hunting activities that take place on State forest, for many years we have been very comfortable with that activity and I think the activity goes and takes place without any particular problems. We undertake a risk assessment every year to make sure it is conducted in a safe manner. We are very happy with the operations of the hunters.

Mr HANSEN: Can I just add to that. Again, it is not an either/or scenario. We want that combination of being able to use recreational professional hunters as well as targeted campaigns, as well as baiting campaigns. Not one of those in isolation is going to provide the pest control that is required across the State. It is all about getting that right balance. But when you get periods of intense pressure, you need to do more than what we had been doing around hunting and baiting and individual landowner control. That is where LLS works to bring together a regional plan for delivery on the ground.

The CHAIR: I will just put it bluntly: There have been concerns expressed that LLS are unduly pressuring forestry workers to allow them into these State forests that are designated for hunting. Mr Roberts, would you be able to rule that out as occurring?

Mr ROBERTS: As I said, I do not have the details of the particular operations that you are talking about to be able to talk in detail about that. I would have to take that on notice.

The CHAIR: Can you also take on notice any other State forests that are declared for hunting in which LLS has been given approval to undertake aerial pest control in the last say 12 months?

Mr ROBERTS: Yes, I can.

The CHAIR: With that, can you provide the dates to that effect in terms of any potential future dates in the next six months that you are aware of, as well?

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: I think my questions are going to be exclusively for you, Mr Roberts and Mr Hansen—back onto forestry. I want to try and get a better handle on where things sit with the force majeure for the wood supply agreements, particularly in the north. Mr Roberts, you mentioned earlier that you had to give notice and give 28 days to the wood supply agreement holders. After those 28 days you have formally written to them and force majeure has been triggered as in place. It has been suggested to me that force majeure has only been put in place as it relates to unavailable timber that has been burnt. I assume this would have been put to the wood supply agreement holders, and that not their whole agreement has been subject to force majeure but a portion of their agreement has been subject to force majeure. Is that what has happened?

Mr ROBERTS: No, that is not my understanding. We have an obligation to supply a volume of wood and it is our ability to supply that volume of wood which has been compromised.

Mr JUSTIN FIELD: So it is either triggered or not? There is not "triggered to some extent but not for the other"? I am just wondering if it triggers some legal liability for the Forestry Corporation if you acknowledge a portion cannot be made available but acknowledge that a portion is?

Mr ROBERTS: I cannot think of any circumstance where that would be the case. I am not quite sure where you are going with the question.

The Hon. TREVOR KHAN: Yes.

Mr JUSTIN FIELD: The Hon. Trevor Khan loves when I get around to it. He is waiting. You also mentioned earlier that you needed to keep wood supply agreement holders up to date with what the Forestry Corporation is doing, I assume, to get back to being able to meet your obligations. Have you had to give any of those updates to wood supply agreement holders yet?

Mr ROBERTS: We have got ongoing contact on a daily basis, almost, with our customers on the North Coast out of our Coffs Harbour office.

Mr JUSTIN FIELD: Yes, but would there not be a formal contractual requirement? Do you have to provide a written update every 30 days?

Mr ROBERTS: Yes, when we have significant information to relay to them then we would indeed update them. But as I talked about earlier this morning, we are doing the wood supply modelling for the long term and we are waiting until we conclude that before we advise that to our customer base.

Mr JUSTIN FIELD: So you have not provided a formal written update at all? I am just wondering if any of this is available on the public record. Are you able to put on notice any of these letters that you have provided to wood supply agreement holders?

Mr ROBERTS: I can take that on notice, yes.

Mr JUSTIN FIELD: How many approved harvest plans are out there for unburnt forests that might be able to be actioned by the Forestry Corporation?

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

Mr JUSTIN FIELD: Do you have any sitting with the EPA at the moment for approval, or has that largely been suspended? No new—

Mr ROBERTS: You are talking about green harvest blocks—

Mr JUSTIN FIELD: This is green—unburnt, yes.

Mr ROBERTS: Unburnt blocks. Again, I would have to take that on notice.

Mr JUSTIN FIELD: You were not able to answer before the percentage of the wood supply agreements that you are delivering at the moment, but surely as CEO of the Forestry Corporation you would know how many

cubic metres of timber is being cut, trucked and delivered on a weekly basis. How much are you taking out of the North Coast at the moment?

Mr ROBERTS: I did say I would take that on notice. I do not have those details in my head.

Mr JUSTIN FIELD: I have spoken to some of the campaigners up there. This is supposed to be on the website, pretty regular updates with regards to how much timber is cut and delivered. It is not up to date. You surely get weekly reports about how much timber you are cutting and delivering.

Mr ROBERTS: There would be weekly reports in the business but I would not get visibility of those on a weekly basis.

Mr JUSTIN FIELD: Is there any way before the end of today's meeting you would be able to see if that information is available? Just a—

Mr ROBERTS: Yes, I am happy to see.

Mr JUSTIN FIELD: —raw cubic metre amount and not species-specific or anything from the North Coast?

Mr ROBERTS: Very happy to see if we can do that for you.

Mr JUSTIN FIELD: With regards now to the site-specific conditions that have been agreed with the EPA for burnt timber. As I understand, site-specific conditions have been agreed to for 10 State forests—that is certainly what is on the EPA website at the moment—and there are a number of compartments in those 10 State forests. How do those site-specific conditions interact with the IFOA?

Mr ROBERTS: The IFOA is the overriding regulatory framework which sits above whatever it is that we are going to do. There would be a plan that had been prepared under the terms and conditions of the IFOA, be it the old IFOA or the new IFOA, the Coastal IFOA. That would sit in place anyway. That would be the background regulatory framework that we would have to operate to.

Mr JUSTIN FIELD: So you have to comply with both the IFOA and the site-specific conditions?

Mr ROBERTS: Yes.

Mr HANSEN: Yes, very much so. In the IFOA, section 23 actually allows for an amendment of the IFOA at a site-specific level. Section 23.4 (b) allows the EPA to grant site-specific operating conditions. That is in addition to the operations of the IFOA. But those site-specific conditions can, depending on what they are, amend a component of the IFOA or be additional conditions in addition to the IFOA, depending on what is sought and what is approved by the EPA.

Mr JUSTIN FIELD: But the IFOA has not—there have to be conditions in advance of the baseline of the IFOA, right?

Mr ROBERTS: Correct.

Mr HANSEN: That is right.

Mr JUSTIN FIELD: So they are not reducing the conditions, in your mind?

Mr HANSEN: No, that is right.

Mr JUSTIN FIELD: But it just that the IFOA does not—

Mr HANSEN: But they could remove a boundary between stream and operation. They could remove an amount, a distance that is there and put a higher amount in there.

Mr JUSTIN FIELD: But not a lesser amount?

Mr HANSEN: That is right.

Mr JUSTIN FIELD: Okay. How often has that been done in the past—site-specific conditions?

Mr ROBERTS: This would be the first time that I am aware of that we have done it because the IFOA does not—

Mr JUSTIN FIELD: They are new.

Mr ROBERTS: —take account of a fire of the scale that we have experienced on the North Coast.

Mr JUSTIN FIELD: There have not been site-specific conditions with the Coastal IFOA [CIFOA] since it came in in 2018 that you aware of?

Mr ROBERTS: Not that I am aware of, but I could take that on notice to make sure that I am telling you the right story.

Mr HANSEN: Not that I am aware of, no. This is a unique situation.

Mr JUSTIN FIELD: For these site-specific conditions, these are not in areas that have existing harvest plans, are they? These are separate to harvest plans or are these actually—there is a harvest plan and an IFOA and now site-specific conditions?

Mr HANSEN: Correct.

Mr JUSTIN FIELD: So they only relate to areas that have an agreed and approved harvest plan?

Mr ROBERTS: Yes, and in terms of the operations which would proceed, that is the way that it would operate.

Mr HANSEN: But some of those sites that are up on the website there are not yet harvest plans developed for, but before any operations were able to be undertaken there would need to be the development of those harvest plans to be able to give effect to the IFOA and the site-specific conditions.

Mr JUSTIN FIELD: You will be seeking to get harvest plans agreed with the EPA for—

Mr ROBERTS: As Mr Hansen says, if there is no existing plan. But the ones that we are going to hope to proceed with would have that plan in place.

Mr JUSTIN FIELD: In budget estimates with the EPA it indicated that the Forestry Corporation has put forward 250 compartments to be considered under the new site-specific arrangements. Is that accurate?

Mr ROBERTS: Again, 250 could well be. We were talking more about areas where there was a group of compartments and we talked about numbers of areas by region in New South Wales, so I would expect it could be as high as that number, yes, in terms of compartments.

Mr JUSTIN FIELD: How many are you logging at any one time? That seems like an extraordinary number.

Mr ROBERTS: A compartment is about 250 hectares, something like that. They do vary a lot. Of course, we are only operating in a very small area of a compartment.

Mr JUSTIN FIELD: But this would be multiple years' worth of timber supply.

Mr ROBERTS: No, we are just looking for an operating run of four to six months.

Mr JUSTIN FIELD: You would do 250 compartments in four to six months?

Mr ROBERTS: No, not necessarily.

Mr JUSTIN FIELD: Sorry, I might have misspoken: Not timber supply, but a few years of forestry activities. I appreciate that timber supply is out the door right at the moment.

Mr ROBERTS: What we are looking for is we are putting up compartments for consideration by the EPA which then—using the environmental and scientific community—has a look at what are considered to be the environmental risks that might sit with those compartments and then there is a decision made as to whether or not site-specific conditions are created for those blocks.

Mr JUSTIN FIELD: Do any of these site-specific conditions limit intensive logging?

Mr ROBERTS: Yes. The key sort of areas where they come into force and have effect would be with regard to tree retention; whereabouts within the forested area the machines are able to operate, so avoiding in particular the areas that have not been burnt, because the burn has obviously been very variable across the North Coast. There are increased buffer zones around particular features in the compartments. There are a number of considerations.

Mr JUSTIN FIELD: Let me put it another way: Is intensive forestry prohibited under the site-specific conditions?

Mr ROBERTS: Yes.

Mr HANSEN: None of the site-specific conditions allow anything but selective harvesting. None of them enable intensive harvesting.

Mr JUSTIN FIELD: Of those 250 compartments, are any of those in areas that are identified as koala habitat? I understand that these are burnt areas.

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

Mr JUSTIN FIELD: If you could actually provide a list on notice of the 250 sites that have been put forward or compartments that have been put forward by the Forestry Corporation I would appreciate that as well.

Mr ROBERTS: We can do that, too.

Mr JUSTIN FIELD: I have not read them all, but from what I can see the ones that are up there are time limited. I understand that they are maybe 12 months. Is that the maximum that you understand that these site-specific approvals have been granted for? Is that 12 months from the time the harvest plan is agreed? Is that 12 months from the time logging in the compartment starts?

Mr ROBERTS: I would have to take that on notice, but I guess what I can say is that the volume of timber in these blocks is a relatively small amount of volume in terms of our total annual program. We would not expect that they would run for very long in terms of harvest.

Mr JUSTIN FIELD: What percentage of your total annual program do you think is going to come from burnt timber? You could see that one coming, could you not?

Mr ROBERTS: I could, yes. I will take that on notice.

Mr JUSTIN FIELD: Is this primarily for saw logs?

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: This is going to be blackbutt that you are largely chasing, right? Because that has been badly impacted in the—there is not much unburnt stuff.

Mr ROBERTS: When you get back off the coast on the North Coast and you head into the hinterland then you do get a change in species. The volume of blackbutt begins to decrease. We will be looking for a range of different species. Different customers have different markets. Most of them are chasing high-value markets—things like poles, logs for high-value flooring, those kinds of products. Those will be the kind of things that we will be cutting the logs for.

Mr HANSEN: Just on the time-limited piece: It is 12 months and it is from the date of the conditions being issued. The 12 months is around the length of time that is expected for that forest to recover some of the key features to provide self-protections around ground cover and so forth to be able to swing back to non-site-specific conditions as per the normal IFOA.

Mr JUSTIN FIELD: You are going to be hard-pressed to get some ground cover back after the forestry operations have gone through, are you not? That to me is one of the biggest concerns. You go into a forestry coop and you look at the ground disturbance, and we have just seen the significant rains. How is that assessed? You might have your site-specific agreement with the EPA—not all of these have been ground-truthed, no doubt. They have not been out there to each site. How are your contractors going to make sure that they are not just making that recovery much worse or longer?

Mr ROBERTS: If I could just answer that relatively quickly. One of the other riders on these site-specific conditions is there is slope limitation as to where we can go and operate. That is specifically designed to avoid soil and water impacts. There will also be requirements to place material in situations across the site that will limit water flow. I think in those ways, and also with particularly good briefings and instructions to contractors, that is the way that we will handle it.

Mr HANSEN: You no doubt see in your local area how quickly some of those forests are coming back, and if you go to the north of the State we have got a couple of months head start on the south.

Mr JUSTIN FIELD: Not the ground yet, though. The trees, but not the ground.

Mr HANSEN: But they are coming back quickly, are they not?

Mr JUSTIN FIELD: Nothing a harvester will not fix pretty quickly.

The Hon. MICK VEITCH: I have a follow-up question to Ms Fox regarding the concrete slabs. Does that also include concrete piers into the ground?

Ms FOX: Yes, they would be taken if it was required to facilitate the rebuild. Most of the photographs of the afters are coming through with ground completely cleared.

The Hon. MICK VEITCH: Thank you.

Ms FOX: I have also got an answer to the question you asked earlier about PVA glue and rain, if you would like that answer?

The Hon. MICK VEITCH: Yes, please. This is to do with asbestos?

Ms FOX: I will read it. It is very detailed from the engineer. It states: "PVA glue is a non-toxic water-based glue. Once dry, it is water resistant and only softens somewhat after major longer term immersion in water. Normal rain and run-off doesn't materially soften it. PVA doesn't have an infinite life when it is exposed to either UV or water, but when it is used in conjunction with other control measures such as signage, exclusion fencing"—which we use in that process—"the potential for community airborne asbestos exposure is extremely low. Air monitoring is being undertaken broadly throughout the affected communities in both this fire and previous fires and no potentially hazardous air-monitoring results have been recorded to date."

The Hon. MICK VEITCH: Okay.

Ms FOX: There are also warnings there for people not to go on site when asbestos is there, et cetera, in that program.

The Hon. MICK VEITCH: Thank you. Just before the luncheon adjournment the Minister was talking about the \$46 million stimulus package. Do we have any details about that package, what it actually looks like?

Mr BARNES: This is the package that refers to the equity injection for this financial year? I do not believe so, but we can take that on notice.

The Hon. MICK VEITCH: Just take that on notice. I appreciate it was announced today. We have come through a horrendous fire season. Are there lessons to be learned? Is Forestry Corporation reviewing its current fire management practices in light of the fires?

Mr ROBERTS: You would not go through a fire season like this without a lot of look-backs to see what went well and what did not go well. As I mentioned earlier, in the case of any significant fire we always run an internal after-action review with our own staff to see what they have experienced, what they have seen and where we think we have done a good job and where we have not. We have also employed an external third party to have a look at all the major fires that we were involved with over the season, so that will also be an element that will come into it. Of course, there is the State-based inquiry, which we will also participate in and see what comes out of that. There are always lessons to be learned out of these kinds of events.

The Hon. MICK VEITCH: I will give you an example. In Tumut, the Dunns Road fire, people particularly around Green Hills were saying that where the fire burned up through the native trees, that actually drove it up a gully and then into the softwood. It almost funnelled the fire into that particular plantation. Will this review look at even the way we plant our softwood plantations, how we sow them down and that sort of thing?

Mr ROBERTS: Yes, I think there has got to be a question about plantation design, which we will be considering going forwards. I have heard the comment that you have just talked about. We will also be looking to try and understand the fire behaviour through that fire, which will give us some indication of whether those kind of situations are real or whether something else is going on there.

The Hon. MICK VEITCH: As a matter of interest, how many Forestry Corporation staff were involved in the firefighting throughout the summer?

Mr ROBERTS: It has been devastating for the organisation and it has also been a huge effort. I should say that I am immensely proud of the organisation and the work that they have put in. We had about 540 staff actively engaged one way or the other in the firefighting effort. We had people literally on the fire lines right through to staffing incident management teams in various roles through to logistics roles right across the board. I can remember on one occasion I went to Coffs Harbour and we had probably two or three people sitting in the office; everybody else was involved in the fires one way or the other.

We had close to 200 seasonal firefighters working for us. As the season progressed and the situation deteriorated we were also able to bring in additional external resources. I forget the numbers exactly, but it was

about another 70 external firefighters we brought in from other forestry companies—OneFortyOne in South Australia, through Hancock Queensland Plantations in Queensland and Forest Protection Services in New Zealand. We brought in quite a number of incremental resources. In addition to that, we had lots of heavy plant that was either our own or contracted to our organisation that was involved in the effort. It was a major effort. You kind of forget, but we actually started in July of last year with the firefighting effort right up on the North Coast and continued right on until literally only a few weeks ago.

The Hon. MICK VEITCH: So just picking up from that if I may? At the last estimates hearings you informed the Committee that you were looking at employing 148 seasonal firefighters. It sounds to me like you actually engaged a lot more than that.

Mr ROBERTS: Yes, we did. As the season progressed we run fire camps where we bring in external parties to be trained in firefighting. Many people re-engage from year to year. But as the season became more and more serious and there was more fire in the landscape, we knew we needed more people so we incremented the numbers accordingly.

The Hon. MICK VEITCH: As a part of the review into what has occurred, did that include getting feedback from staff around the personal protective equipment [PPE] and the firefighting equipment that they utilised to see if it was adequate for fires of that nature?

Mr ROBERTS: Absolutely. That will be a part of our internal after-action reviews. We will be getting all the feedback from our own staff.

The Hon. MICK VEITCH: And the fuel loads on forestry land. You have heard my comments earlier today about blackberries. So people talk about fuel loads and I think everyone thinks it is almost mulching stuff on the ground. There is actually a lot more goes into a fuel load than that. In light of what has happened, are you looking at—as a part of the review—how you manage the fuel loads within our State forests?

Mr ROBERTS: I think that will be a focus of attention through the State-based inquiry. We are also having a look at things from our own perspective. I guess the only other thing I can add is that when you walk out on a day like today and it is quite mild, it is very easy to forget how atrocious the conditions were this summer. There is no question that the drought had a huge impact on the conditions that we experienced.

The Hon. MICK VEITCH: So with the review, is there a scheduled time frame for this review? When will it be completed?

Mr ROBERTS: This is for the State review?

The Hon. MICK VEITCH: Yes.

Mr ROBERTS: I believe it is just after the middle of the year in June or July.

The Hon. MICK VEITCH: Will that be made public or are you looking at making that as a submission into the—

Mr ROBERTS: This is the State review which the Premier—

The Hon. MICK VEITCH: No, your own Forestry Corporation review.

Mr ROBERTS: We will certainly be feeding those into the State review so they will be captured in that process, so I would imagine so.

The Hon. MICK VEITCH: So they will be made public at some stage, in some way?

Mr ROBERTS: Yes. I believe we will certainly be publishing some kind of recommendations or conclusions.

The Hon. MICK VEITCH: Thank you. Before I hand over to my colleague I just want to ask some questions around—depending which agency it is referred to as furniture or whatever else—essentially timber power poles. Dunns Road, I know it really well. I drive along the road. All the powerlines have been burnt down, the timber power poles. I understand and appreciate that we have to put the power back on very quickly but we are putting in timber power poles. So I think to myself, "Why are we not putting up something that might be a bit more fire resistant than timber power poles?" Do we have enough timber power poles for the recovery across New South Wales and are we seeking to look at the concept of betterment when it comes to that sort of replacement?

Mr BARNES: Maybe Mr Willing—,sorry Assistant Commissioner Willing.

Mr WILLING: In answer to your first question, I do not know in terms of do we have enough timber power poles. But in terms of betterment across the board, that is an underlying philosophy for recovery and moving forward, not just from New South Wales' perspective but the Commonwealth's perspective as well.

The Hon. MICK VEITCH: So things like making the power supply a bit more fire resilient?

Mr WILLING: Yes.

The Hon. MICK VEITCH: Through State Forests or Forestry Corp—I will get it right one day—in Forestry Corp was there much damage to that sort of infrastructure?

Mr ROBERTS: Power pole infrastructure?

The Hon. MICK VEITCH: Any of that sort of thing. You were talking earlier about bridges and things like that as well.

Mr ROBERTS: It is not something that I am aware of in detail. I imagine there would have been but I can take that on notice if you would like any specific information.

The Hon. MICK VEITCH: Yes, if you could.

Mr HANSEN: Sorry, I had to socially isolate myself just a moment ago for a cough. I hear I missed a question with regard to the breakup of the \$46 million?

The Hon. MICK VEITCH: Yes.

Mr HANSEN: So it has some of those components in it. It has three key pieces. It has got urgent infrastructure repairs, which are for roads and bridges as per Mr Roberts' commentary earlier. It has money in there for the nursery expansion, both at Tumut and Grafton, and it also has replanting, so funding for replanting in there as well.

The Hon. MICK VEITCH: It has been taken on notice so if you could give us the breakdown but thank you for that. With regard to fire trails and fire trail maintenance, now that we have come through the fire season in Forestry Corp—as a part of the review—are we going to look at the adequacy of our maintenance of fire trails throughout our State Forests?

Mr ROBERTS: That again will be a consideration for the State inquiry as to how fire trails are maintained right across the State. There has been a lot of work done in that area over recent years. A lot of work has gone into signage so we know which trails you can access with what kind of equipment and get out safely. There is a fund through the RFS where you can apply for funds to upgrade trails and the Bush Fire Coordinating Committees also have a program of works within the areas they are responsible for to look at and upgrade those trails. So there is a pretty sound process but I am sure that it will get looked at again.

The Hon. MICK VEITCH: Is there a list available of the damage to Forestry Corp assets because of the fire? Have we undertaken that detailed review yet?

Mr ROBERTS: No, we do not have those full details. We do know that we have lost a large number of bridges, road signs and those kinds of things. We have estimated numbers but we have not got a full tally as yet.

The Hon. MICK VEITCH: Are you able to on notice just table those? If it is estimated, just make it clear it is estimated. I have got one last round of questions before I hand over to my colleague.

The Hon. TREVOR KHAN: Shame.

The Hon. MICK VEITCH: I am not sure who this might be directed to, but it is actually to do with Wollongong Coal and the Resources Regulator's investigation into Wollongong Coal.

Mr BARNES: We have got the Resources Regulator here, Anthony Keon.

The Hon. MICK VEITCH: Can you provide us with an update with the ongoing investigation into Wollongong Coal?

Mr KEON: I think it is better to characterise it as an ongoing assessment so it is not an investigation per se where we will come to the end and say they are fit, for instance. We are assessing their operations on an ongoing basis and if we come to the point where we feel that they are not fit then we will initiate that action. One of the key concerns for us at the moment is their ultimate holding company and charges laid against a director of that company in India, which are corruption charges. They are ongoing. Until those proceedings are finalised, that is not a sufficient basis for us to act.

In saying that, the fit and proper considerations are not the only thing we have been looking at. We have taken prosecution action on two separate occasions over recent years. We have issued stop-work orders to them last year as well as accepting an enforceable undertaking. So we are using all the tools available to us to make sure that they are in a position we are comfortable with. That included last year bringing in the chairman of the board to express our concerns. Following that, they put one of their mines onto care and maintenance to try to rectify our concerns.

The Hon. MICK VEITCH: As a part of this ongoing assessment, to use your words, are you looking at this allegation that there is a gap between the rehabilitation costs of the Russell Vale mine and the bond that is actually held by the regulator?

Mr ROBERTS: We looked at that. The background to that was as part of their information they supplied as part of a planning approval, there was a comment—I will find the comment; you might have it in front of you—where they made a statement to the effect that the rehabilitation costs were in the order of \$250 million. That was vastly different to what we would expect from a mine that size and what we held. Following that, we commenced an investigation into that statement as well as directing them to get an independent consultant in to do a full rehabilitation cost estimate. That came back and increased their rehabilitation at site from \$7.6 million to \$12.35 million, which we deemed was accurate. They have now paid that money. Because the information was not supplied to us under our legislation—it was under Planning—we have referred the matter over to Planning for their information and appropriate assessment as to whether there have been any offences under planning legislation.

The Hon. MICK VEITCH: Can you just run through those numbers again for me?

Mr ROBERTS: For Russell Vale Colliery, at the time of that statement we held \$7.662 million. As a result of our directions and an independent assessment, that came back at \$12.354 million. That has now been paid in full.

The Hon. MICK VEITCH: So that has been paid in full?

Mr KEON: Yes.

The Hon. MICK VEITCH: And planning is now looking after it?

Mr KEON: Yes, because the information was not supplied to us. So that statement in relation to the \$200-odd million—whatever the figure was—was made as part of a planning application and not under the Mining Act.

The Hon. MICK VEITCH: And with regard to the director from India and the allegations of corruption—

Mr KEON: Yes. That is Naveen Jindal.

The Hon. MICK VEITCH: So essentially you have to wait for that to run its course in India before you can act—

Mr KEON: That is correct.

The Hon. MICK VEITCH: —in New South Wales. The fit and proper person test.

Mr KEON: That is right. Because it is appealable to the Land and Environment Court, the rules of evidence apply to us. We have to run that, so we have to wait until there is an outcome in that. We cannot act just based on the fact that there have been charges laid. And they are entitled to due process as well as part of that.

The Hon. MICK VEITCH: Thank you.

The Hon. PETER PRIMROSE: Sorry about the musical chairs again. I may be asking Ms Fox a couple of questions.

Mr BARNES: Just while Ms Fox comes in, earlier today the Deputy Premier put a total figure on the table of 220-odd applications for the \$10,000 bush loan. I think he underestimated that. It might have been an earlier figure. This is since yesterday, Mr Willing?

Mr WILLING: I can advise the Committee that as of lunchtime there were 458 \$10,000 grants that had been approved, totalling over \$4.5 million out the door, which is outstanding.

The Hon. MICK VEITCH: Are you able to provide those details in a breakdown by region or local government area [LGA]?

Mr WILLING: . We should be able to but it is a growing figure.

The Hon. MICK VEITCH: As of today's date. If you could do that, that would be good.

Mr WILLING: Sure.

The Hon. MICK VEITCH: Thank you.

The Hon. PETER PRIMROSE: Again, I do not know whether this is to Mr Barnes or Ms Fox. Earlier today we spoke about the issue that has been raised many times by many people and many members about the issue of exclusions on sites. For example, in the Conjola region people have been told that, for instance, a garage that was 15 metres away from the main building would not be included in the clean-up. Can you just clarify what, if any, exclusion zones there are in relation to the program?

Ms FOX: There is no fixed exclusion zone by metres. We are applying a commonsense approach with the purpose of the rebuild, which has been clearly stated to assist people to rebuild either their residence or their business, and we are taking a commonsense approach to that. On every site, as we said, it is very bespoke and anything that Laing O'Rourke find difficult onsite comes back to a meeting and it is reviewed. That work is funded half by the Commonwealth, half by the State and there are the usual guidelines on what is included in that and what is not included, so we work to that. That is available on the website as well in terms of outbuildings and there is also a prioritisation process that goes across the top of that.

The Hon. PETER PRIMROSE: So if someone has said that they have been told that their garage, which was 15 metres away from the house, was not included, could that be accurate?

Ms FOX: No, that surprises me. We certainly have not given those instructions to Laing O'Rourke or to anybody else. Some of the confusion may be the old model that has previously been used by government. I know Public Works Advisory has always cleaned up uninsured residential properties in previous fires in Tathra and in the Blue Mountains and in that case they used to use a term "immediately adjacent to". This is a new model based on the model that the Victorians have used previously where the government does insured and uninsured buildings. It is a different model and I suspect some of the confusion comes from people assuming that it will be done the same way that it has been done in the past.

The Hon. PETER PRIMROSE: In respect of some other aspects of the clean-up effort, what provision is being made to get people affected appropriate accommodation and provide them with basic services? I am happy to give you an example if I can.

Mr WILLING: Please do.

The Hon. PETER PRIMROSE: Last Thursday *The Guardian* reported on the story of Lindy Marshall from Verona near Cobargo. She lost her home and has been living in a fire-damaged shed at her property. She relies on friends for clean water and has to shower in other people's homes. So the question the paper and we are asking is, why is Lindy Marshall living in limbo in a farm shed?

Mr WILLING: I can advise that to this point we have helped over 8,000 people into emergency accommodation. Almost \$2,500,000 has been spent on over 18,000 room nights. We have just recently concluded an agreement with Minderoo to provide emergency pods for situations like Ms Marshall's. At the moment the criteria around that is being developed in terms of the prioritisation of those. That is occurring with local government areas, recovery coordinators et cetera as well. I would be happy to take on notice some detail in relation to Ms Marshall's situation.

The Hon. PETER PRIMROSE: I am quoting just from *The Guardian*.

Mr WILLING: We have had a number of those types of situations come up, but I can assure the Committee that if somebody needs temporary accommodation that can be provided immediately.

The Hon. PETER PRIMROSE: Can I ask—

The CHAIR: I will have to stop you.

Mr JUSTIN FIELD: Mr Roberts, I was down at Benandarah State Forest recently. The community at South Durras is feeling pretty concerned about logging slash that is being left on the ground in that State forest. It is right adjacent to the Princes Highway and right opposite one of the last unburned areas of national park on the coast down there at Murramarang. Andrew Constance made some public comments, as did I. He commented, "The silence is deafening from these people." He was talking about the Forestry Corporation. He continued: "Where is Nick Roberts?" Basically, his point was why will you not clean up the slash down there? What is the

story with the slash? Why is it acceptable to leave that amount—it is head high—of logging waste on the ground there.

Mr ROBERTS: I can obviously understand the concern with the situation at Benandarah. What we have been doing in that forest is there is a couple of compartments that we have harvested over the last year, 15 months. To the west of that particular compartment we were able to put in a successful burn to reduce the slash in that area. As the season deteriorated very rapidly, the view was that it was not sensible to be putting any fire into the forest at that particular time. It would have been a danger to have actually done that. The area is marked. We had some people go down when the Currawong fire was running. We graded to mineral earth underneath the powerline easement and we set a back-burn off that line and we managed to secure that particular block. The plan would be—and particularly this year it is looking like we will get far more favourable conditions for hazard reduction burning—to go back in and carry out that activity in the next couple of months.

Mr JUSTIN FIELD: It must be a little way west. I certainly did not see any of that grading back to dirt or any of the back-burning. There is wildfire that went through not far north of there. You only logged that in the middle of last year. We were in the grip of drought at that point with significant drying in the forest so the fire risk was already high. Why was that left on the ground in the first place?

Mr ROBERTS: I think the harvesting activity was actually around May or June, so it was not during the onset of the fire season—

Mr JUSTIN FIELD: I think we are splitting hairs a little there, Mr Roberts.

Mr ROBERTS: Sorry?

Mr JUSTIN FIELD: I think we are splitting hairs a little there.

Mr ROBERTS: It was not at the point where the fire season had really onset down on the South Coast. The fire season runs from north to south. The conditions were really extreme up north. Indeed, we had people from the South Coast that were up on the North Coast firefighting at a time when we would normally be doing that kind of burning activity.

Mr JUSTIN FIELD: But you indicated that you did a back-burn to try and manage that in July.

Mr ROBERTS: Yes, we did. No, during the actual fire. During the Currawong fire we did a back-burn.

Mr JUSTIN FIELD: During the fire.

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: You indicated to me the Currawong fire started as a lightning strike. That lightning strike could have hit that slash. A back-burn does not really fix that problem, right? The point I am getting to is down there there is a frustration, particularly in the north of the southern forests, because it is a long way from the chip mill that more slash gets left on the ground there because it is expensive to truck the stuff to the chip mill. And it looks to me like that is true, the way you see what happens on the forest floor. Is that what is going on?

Mr ROBERTS: I do not believe so. We have been trucking wood down to Eden off the South Coast. I am not specifically sure about Benandarah but the way that we would treat that forest is as I have described—we would burn, slash—and that had been our intention but we were very reluctant to put fire into the bush at that time.

Mr JUSTIN FIELD: I am sure it is not lost on you that there is a lot of frustration about logging slash. The Mogo community felt that as well. They feel like some of the logging operations around Mogo exacerbated the fire risk that they felt. It might be one that needs to be looked at in terms of the IFOA and some of the rules around managing slash, I think.

The Hon. TREVOR KHAN: That is a statement.

Mr JUSTIN FIELD: It was a good one too, I think. Let the record show that Mr Khan thought it was a good statement.

The Hon. TREVOR KHAN: No, just another expression of opinion, we can describe it as.

The CHAIR: I think it was outrage.

Mr JUSTIN FIELD: Mr Hansen, you mentioned before that the site-specific conditions were agreed under, I think, section 23.4 of the IFOA. Is that accurate?

Mr HANSEN: That is what I think, yes.

Mr JUSTIN FIELD: It is, yes. I have got it here. Section 23.4 says:

If applying a condition of the approval at a specific site would result in a poor environmental outcome, or if in a specific and unique circumstance FCNSW would not be able to comply with the conditions of the approval, then prior to commencing the relevant forestry operation:

(a) FCNSW may submit a report to the EPA in accordance with ... —

some things, and—

(b) the EPA may grant a site-specific operating condition ...

So it seems like that is what is being relied on.

Mr ROBERTS: That is correct.

Mr HANSEN: Mr Roberts, can you provide the report that was submitted by the Forestry Corporation to the EPA on notice to the Committee?

Mr ROBERTS: The report on the various blocks that we have had a look at?

Mr JUSTIN FIELD: No, just the—23.4 requires you to submit a report to the EPA before it will consider granting site-specific operating conditions. I just want to see that report, if I could.

Mr ROBERTS: There are applications that we make to the EPA for those site-specific conditions so, yes, I can copy you those.

Mr JUSTIN FIELD: Are they different for each of the sites—

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: —or is it one report? If you could, that would be great.

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: Was there any legal advice sought to determine whether the current circumstances fitted, I guess, what was envisaged with this particular section of the IFOA?

Mr HANSEN: I would have to take that on notice. I am not aware that we did but I do not know. EPA, obviously, being the contractual party to the IFOA, I am not sure whether they did. I would have to take that on notice.

Mr JUSTIN FIELD: Did you get legal advice, Mr Roberts? Did the Forestry Corporation get legal advice on that?

Mr ROBERTS: We have been working very closely with the EPA, so we have been relying on their systems and processes, as the regulator.

Mr JUSTIN FIELD: I take it from that that there is agreement in your mind between the EPA and the Forestry Corporation of NSW that this clause is applicable, given what has happened, and you agreed to basically implement the arrangements under this clause?

Mr ROBERTS: It is a clause in the IFOA so, yes, it applies.

Mr JUSTIN FIELD: I am not doubting that there are special circumstances but they probably did not quite envisage it would be this broad a scale, right?

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: This is a bit more than just a particular site: "We have found something there, we just need to check with the EPA".

Mr HANSEN: Yes.

Mr JUSTIN FIELD: This is a pretty broad impact. So what I guess I am trying to understand as a result is: At what point is it appropriate for the IFOA to be amended rather than for us to have as many as 250 site-specific conditions? Because the IFOA, I believe, is disallowable through the Parliaments. It has had a degree of oversight. These conditions are not.

Mr HANSEN: No. I think the 250 number—and I do not know whether it is 250—

Mr JUSTIN FIELD: That is what the EPA said.

Mr HANSEN: —but, obviously, in the first cut of numbers all forward and future potential sites, basically, got put on the table just after the process of elimination of which sites were too high risk, which ones do not need to have site-specific and to work that list down, so it is a big step from that 250 down to the, I think,—did you say there are 10 sites at the moment?

Mr JUSTIN FIELD: There are 10 forests but there are multiple compartments.

Mr HANSEN: Multiple compartments within that, yes.

Mr BARNES: Mr Field, I can say that I was provided advice that the EPA did receive legal advice that the site-specific conditions could be applied.

Mr JUSTIN FIELD: Is that legal advice available?

Mr BARNES: You would have to talk to the EPA.

Mr JUSTIN FIELD: Okay, thank you. Sorry, Mr Hansen.

Mr HANSEN: That is okay. The process of remaking an IFOA, turning off an IFOA, it was deemed within government that this mechanism of using this provision within the IFOA for site-specific conditions—each site-specific condition needs to be assessed and approved by the regulator, being the EPA: What is the most appropriate vehicle to be able to quickly enable access into areas in which there were time-sensitive pressures around being able to harvest burnt timber? Therefore that was the path that was taken, as opposed to resetting, redoing or removing the IFOA out of operation all together.

Mr JUSTIN FIELD: Just to be clear, this is not like softwoods. This is burnt timber but it is still live timber. This is not dead timber, right? These are trees that will keep growing.

Mr ROBERTS: I think that is under question. In some cases, with some species, where the fire has been particularly hot, the trees will not recover. So if you look at alpine ash as an example of when the fires went through Victoria, many of the trees there were killed by the fire and we might expect the same situation in Bago.

Mr JUSTIN FIELD: These are site-specific conditions. There is not a lot of alpine ash in North Coast forests, I would not think.

Mr ROBERTS: No, but there are at Bago—Tumbarumba.

Mr JUSTIN FIELD: No, I understand that but the vast majority of these sites are coastal forests. We are talking about blackbutt primarily in the burnt forests. Correct?

Mr ROBERTS: No, we are talking about a range of different species.

Mr JUSTIN FIELD: We had the conversation in the last round. Blackbutt is one of the key targets of the—

Mr ROBERTS: Blackbutt is a very important species to the industry but it does not necessarily mean that these particular blocks are carrying a significant volume of blackbutt.

Mr JUSTIN FIELD: Sure. They are not likely to die. Mr Hansen, I get the sense that there was actually a bit of discussion here in government. Is it appropriate to remake the IFOA or should we use this section? Who made that decision ultimately?

Mr HANSEN: As you would imagine, we looked at all the options that were available to us and had those discussions, both with Forestry Corporation and also with the regulator in terms of EPA, and all those options included everything from: Do we turn off IFOAs? Do we try to go out and do an amendment to the IFOA? The fact that there exists and has been built into the IFOA, the ability for the regulator to issue site-specific conditions for the operator to be able to operate, this is where we are operating under site-specific conditions on a time-limited basis for these sites that have been put forward.

Mr JUSTIN FIELD: I do not doubt that but I guess the point is it is not just one site, which you could argue maybe the IFOA envisaged. Clearly legal advice was sought. I am just wondering: Was it a decision of the Minister or of Cabinet, or was it a decision worked out at the officials level?

Mr HANSEN: It was a decision worked out at officials level—is my understanding. We would have, obviously—well, based on the advice of Mr Barnes, the regulator has sought legal advice about their capacity to be able to do this. And it is not the whole—

Mr JUSTIN FIELD: Well, maybe if it was appropriate. We are not sure. I have not seen it. I do not think you have seen it. So maybe let us not assume what the legal advice is saying.

Mr HANSEN: No, but these are questions that would have been best directed to the regulator in terms of they are the ones who are actually approving these, turning them on and utilising the IFOA to give the imprimatur for site-specific harvesting to occur under site-specific conditions.

Mr JUSTIN FIELD: I do look forward to recalling the regulator to ask that question. I got the sense from your comment as well, Mr Hansen, that the 250 might have been: Here is our starting point, and we have gotten down to 10 forests and a number of compartments in those forests. Is it correct that the ones that are on the EPA's website are the only ones for which you are seeking site-specific conditions?

Mr ROBERTS: I would have to have a look at the full list that is on the EPA website but what I can say is that there are about 11 areas that we would be looking at site-specific conditions for on the North Coast, as an example. There may be a number of compartments within those areas but that is the level that we have been considering.

Mr JUSTIN FIELD: Just so the community can get a sense of what is actually going on here, we have got the EPA site. If you can provide on notice the compartments and the State forests that they are related to—

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: —for which you are seeking site-specific conditions as a result of the fire. Is it the intention of Forestry Corporation to come back for another bite at this cherry and look at other sites down the track?

Mr ROBERTS: Yes. So what I can say is that this is obviously not a—this is a challenging area so it is very difficult for everybody to work their way through it and understand what the right thing to do is, so we have worked through a few blocks as example blocks, which is what we have at the moment, and the intent then would be to continue the process. One of the reasons for continuing on with the site-specific is that the IFOA is a document which has taken many years to renegotiate and it is going to extend for many years into the future. The site-specific conditions are time-limited, as you pointed out earlier, and so we expect to come out of the period we are in at the moment. The forest will recover. It is one of the great features of Australian eucalypt forests. They do recover after fire and we would expect that we would get back to a more normal situation in the future.

Mr JUSTIN FIELD: Just to be clear, you do not have harvests plan for each of these areas or these compartments that have been approved for site-specific conditions. I might have missed this before, Mr Hansen. So does that 12 months start from the time the conditions are agreed with the EPA or from the time the harvest plan is approved? It can take you some time for harvest plans to be approved.

Mr HANSEN: My understanding is, upon the conditions being agreed.

Mr JUSTIN FIELD: So we have got 12 months from now, and at the moment that looks like that will be it. In 12 months' time these site-specific conditions will not exist anymore.

Mr ROBERTS: Well, that is speculation but, yes, we could end up in that situation.

Mr JUSTIN FIELD: In many of the new site-specific conditions there is a clause that requires the Forestry Corporation to work with the Natural Resources Commission or other agency agreed by the EPA to monitor the long-term impacts and recovery on the site as part of the monitoring program. I had a look at the one at the Styx River. What are the arrangements that are in place with the NRC, or is there another body that the EPA has identified to do that work?

Mr ROBERTS: I would have to take the specific details on notice but what I can say is that we do have long-term monitoring sites right across the forest. It is part of the new CIFOA. What we do is, rather than focus on specific areas within specific blocks, we actually look to the landscape level in terms of species. So if you talk Styx River, we have sites where we monitor the Hastings River mouse with little tubes that they go through. We have got cameras down in Eden looking at long-nose potoroos, we have song meters for koalas, and all of those long-term monitoring operations have already recommenced.

Mr JUSTIN FIELD: I appreciate that, Mr Roberts, but this is a clause that is in the site-specific conditions. It is not about long-term monitoring, which is good to do. I am sure the Hastings River mouse that lives in the Styx River will appreciate this plastic log to live in, now that it does not have any trees, but I am asking about applying this particular condition, which is around these 12-month site-specific conditions. How are you

working with the Natural Resources Commission, or another agency, to do the long-term impact and recovery assessment? Or are we not there yet? You have just approved it but we have not really worked that out.

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

Mr JUSTIN FIELD: Okay.

The Hon. TREVOR KHAN: Are you right? You really have to have a better sleep at night.

Mr JUSTIN FIELD: I do not think that is fair.

The Hon. TREVOR KHAN: You are very grumpy.

Mr JUSTIN FIELD: It is interesting to me that for Styx River, and you raised the Hastings River mouse, which the audience now knows lives in the Styx River State Forest, some of the last remaining habitat is left there. It has got both some burnt and some unburnt. You are able to use the preapproved harvest plan to go in and get some of the unburnt stuff. You have also now applied for site-specific conditions in the burnt areas of the Styx River State Forest, to go in there and have another bite of the cherry. You will not see it that way, but I do. This is a federally listed species. This is really where the rubber hits the road. How do you bring those two competing interests together? I appreciate that the regulator has signed off on it but I do not understand how you can do that without having a negative impact. I think you are acting outside of the Forestry Act, which is to actually maintain ecologically sustainable development in forests.

Mr ROBERTS: Styx River State Forest is about 16,000 hectares, so it is a very large State forest up on the tablelands, and the operations which we have conducted there have been in a very limited area in terms of hectares. The area we are going into, I do not believe, is extensive and we will be working under the umbrella of the IFOA, which is what we used in the past up in that area, as well as the incremental protections that will be provided by the site-specific conditions.

Mr JUSTIN FIELD: And the harvest plans, obviously, which also create some additional limitations?

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: And you have to comply with all three, just to confirm again?

Mr ROBERTS: Correct.

Mr JUSTIN FIELD: One does not override the other?

Mr ROBERTS: Correct.

Mr HANSEN: As you would be aware, the IFOA actually has, in the unburnt area, a whole series of provisions around protection of both the mouse and its habitat from forestry operations. So, both in the unburnt area where harvesting is undertaken there are rules and requirements that need to be built into the harvest plan to address the IFOA's requirements around Hastings River mouse, and those are added onto, in addition, in terms of the conditions that are set in site-specific conditions, if they are going into a burnt area.

Mr JUSTIN FIELD: I want to move on, if we can, to the audit program that is conducted by the EPA. I know this is not your bag, necessarily, but I want to understand how the EPA works in with contractors and the Forestry Corporation when it comes to audits. Last year was the first full year we have had the Coastal IFOA in operation. It was striking to me that last year the EPA only did three audits that are listed on its website. The year before they did eight. In a year we have had big changes. There have been fewer audits and all those audits that were done identified significant impacts. The Forestry Corporation is supposed to comply with the Coastal IFOA anyway. Do you have any idea why the auditing program seems to have been significantly reduced and what are you doing to ensure compliance from a Forestry Corporation perspective?

Mr ROBERTS: You would have to ask the EPA about how they time their audits but we work in with their operational staff across the State. They tell us they are coming to do an audit and they go and do an audit. We get advised after the event. In terms of our own operations, we are certified to the Australian Forestry Standard. We have an audit program through that external third party, which operates every six months. They come in and have a look at particular parts of our operations and ensure that we are complying with the regulations, that we comply with our own internal management systems and that we have good processes around everything that we are doing.

Mr JUSTIN FIELD: Are they published?

Mr ROBERTS: Yes, I think they are on the website, but let me take that on notice.

Mr JUSTIN FIELD: Can you confirm when the last one was?

Mr ROBERTS: Yes.

The Hon. MICK VEITCH: Again, I am not sure who answers this. I would normally direct it to Mr Betts. It is actually to do with coronavirus and our international offices.

Mr BARNES: Yes, so this is Kylie Bell.

Ms BELL: Hello. I am so glad you asked me a question. Otherwise, it would have been a loss.

The Hon. SHAYNE MALLARD: You might regret that.

Ms BELL: No, I will be pleased to.

The Hon. MICK VEITCH: Essentially my question relates to our international presence and our obligations to people who are working for the New South Wales Government in these international offices.

Ms BELL: Sure.

The Hon. MICK VEITCH: What have we done to protect those individuals? That is the first thing. Secondly, probably on notice, if you could provide us with a list of the offices and what we have actually done?

Ms BELL: Obviously, the first office impacted was our China office. Both our Guangzhou office and our Shanghai office have been closed for six weeks. They are all working from home. We were able to get them in masks and help them with supplies, so they have been covered. Because it has been a rolling feast the next office is our Tokyo office. Our team there is working from home because schools in Tokyo have closed. Same with Seoul and same with San Francisco this week. Probably the same with us.

The Hon. MICK VEITCH: Do not sit too close to Mr Khan.

Ms BELL: I have noticed that.

The Hon. TREVOR KHAN: I am feeling wonderful.

The Hon. MICK VEITCH: If you could take on notice where the other offices are.

Ms BELL: Sure. It is becoming, obviously, each week—in fact, it is probably the same for most of our offices in Australia as well.

The Hon. MICK VEITCH: If you could just take that on notice and give us the offices, that would be great.

Ms BELL: Sure.

The Hon. MICK VEITCH: I am not sure who of the people here would be able to answer the next question. In August 2013 the Government offered financial incentives for skilled workers and businesses to relocate to the regions and set a target of relocating 1,500 metropolitan public sector jobs to regional New South Wales by 2021? I just want to know where that sits in government now. Who is responsible for that? Has that number been met? I am happy for you to take it on notice.

Mr BARNES: We are happy to take that one on notice. That target, obviously, has historical importance and triggered a whole host of things that government did, including, at the time, I think, bolstering presence in certain regional towns but I will need to find out who the metric owner of that is and how progress is going there. The one thing I could say is that in our patch, which is the regional New South Wales patch, we have been very mindful around making sure that there is no diminish in terms of the numbers of regional workers that we have in regional locations.

The Hon. MICK VEITCH: If you could take it on notice, it is one of those things that could fall off the table, the changes of structure of administration of government.

Mr BARNES: Yes, absolutely.

The Hon. MICK VEITCH: Thank you. The other question I have relates to the Resources Regulator and mines. This is just the calisthenics section of the afternoon, for those that are wondering. Again in relation to COVID-19, what advice have you provided to mine operators in New South Wales about COVID-19?

Mr KEON: No specific advice other than to follow the advice of NSW Health is the official position at the moment.

The Hon. MICK VEITCH: Do you envisage there will be an impact on mining activity in New South Wales?

Mr KEON: I think, looking at the global landscape, there is not an industry that is not going to be impacted. I think that would be fair to say, yes.

The Hon. MICK VEITCH: Is it your role to provide that advice on COVID-19 or should that actually just come from the Department of Health?

Mr KEON: Primarily from Health would be our view. Our sole remit in that space is about worker health but obviously the COVID-19 extends just beyond that in terms of community transmissions and what they should be doing. We are looking to make sure that they have got appropriate controls to protect the health of their workers but what we are facing is unprecedented.

The Hon. MICK VEITCH: Thank you. Moving on, there is a bit of an odds and sods here. As I said, it is the calisthenics section. You may have to stand up and come forward. I am not sure who is responsible for the New South Wales Government Defence and Industry Strategy of 2017 and implementing that?

Mr BARNES: My understanding is that that sits with Minister Ayres.

The Hon. MICK VEITCH: That is with Minister Ayres. Thank you. That was not clear in the restructure as to who got that.

The Hon. TREVOR KHAN: It was not clear to you.

The Hon. MICK VEITCH: It does not sit on the website. It actually fell off the website. I think in the mix, not intentionally. It is actually not there. The Federal Government has made their announcement about the Australian Space Agency. Who is responsible for that? Is that Minister Ayres as well?

Mr BARNES: Yes, it is.

The Hon. MICK VEITCH: So pursuing local jobs as part of any space or defence contract now should be directed to Minister Ayres?

Mr BARNES: Yes.

The Hon. MICK VEITCH: Okay, easily done. I would also like to ask some questions relating to the efficiency dividend, which we have explored at the previous estimates. After the midyear review, how is the agency or agencies within—and this would have been for Mr Betts so whoever decides to take it—how are we tracking to achieve the efficiency dividend requirements?

Mr BARNES: I can take it for this section of the group that reports through to the Deputy Premier, if that is helpful.

The Hon. MICK VEITCH: That is fine, yes.

Mr BARNES: You would have seen that Secretary Betts had previously put out communications to staff around the quantum of efficiency dividends that he was expected to realise within the agency, and that I think was a number of around \$80 million. Obviously there was a real sense that the best way to do that was not to impact on people but rather to look at better ways of procuring things, not as many consultants, restricting travel where that was appropriate and other things of a non-people nature. It is fair to say that that has progressed well to the point where I think we can deliver on our efficiency dividends. But, for example, in our area, where contracts have finished we have been judicious around replacing people. Obviously, life-limited contracts for an express purpose, if that purpose no longer exists then we wound those folk up. Where we have had the opportunity and where it has made sense for metropolitan-based public servants, again, when functions are coming to an end we have been able to release some of those positions as well. The bulk of the lifting has been done through a tighter set of controls on non-labour expenses.

The Hon. MICK VEITCH: Thank you, Mr Barnes. I am from regional New South Wales. I am being told that there are regional positions just not being backfilled as a part of the exercise. Would that be correct?

Mr BARNES: Look, I can say that at the moment that would be I think limited to the positions in the regions that are contract labour or short-term, temporary employment. I think the understanding is that quite clearly if there is a position that is a permanent, ongoing position those will be backfilled.

The Hon. MICK VEITCH: With regards to the backfilling, what do we expect to save or create that would go towards the efficiency dividend? What is the dollar number? I am happy for you to take that on notice.

Mr BARNES: I am happy to take that on notice for my particular patch and ask Mr Betts for the broader.

The Hon. MICK VEITCH: That would be good, thank you. You also spoke about consultants. How much do we spend on consultants? Again, you might have to take this on notice and get back.

Mr BARNES: I will take that on notice.

The Hon. MICK VEITCH: Essentially across the department, how much did we spend on consultants the previous financial year and this financial year?

Mr BARNES: And this financial year, yes.

The Hon. MICK VEITCH: Year to date. And then the same thing: How much do you intend to save by not taking on board or renewing the consultants? That would be a question on notice.

Mr BARNES: Yes.

The Hon. MICK VEITCH: Also potentially on notice as well, those consultants that we are not going to continue using, what were they doing?

The Hon. SHAYNE MALLARD: Preparing for estimates.

The Hon. MICK VEITCH: Preparing for estimates, yes.

Mr BARNES: No.

The Hon. MICK VEITCH: Essentially I do want to know if we are not going to engage them, what were they actually engaged for? And is there a plan at some stage in the future to renew those consultants?

Mr BARNES: I can give you one example in the broader context of the agency. A decision was made to take legal advice from our in-house legal team whereas in the past I think multiple parts of the agency had legal consulting firms that they would have gone to to get that advice. That seems to have been working very well and that certainly has allowed us to accrue some savings in that particular space.

The Hon. MICK VEITCH: Essentially what you are saying, Mr Barnes, is there have been no jobs cut from the department to meet the efficiency dividend?

Mr BARNES: No, I am not saying that. What I am saying is that where the jobs have been—in my part of the agency, where they have been temporary or contract jobs then there will be some reductions in those numbers. If it is a tenured, permanent, ongoing role, then our intention is to backfill those when they become available.

The Hon. MICK VEITCH: With regard to the consultants then, do we make consultants employees at some stage?

Mr BARNES: No. My understanding is that consultants typically are treated differently in terms of our Labour Expense Cap.

The Hon. MICK VEITCH: Yes. Is there a set day rate for consultants or do they essentially put their own bid in as to what they would be paid, depending on the task they are engaged for?

Mr BARNES: There are two ways of procuring consultants. The first is that the government, through its Procurement Board, runs classifications under different dimensions of consultancy. They have to have set rates to get onto the Procurement Board's standing offer arrangements. If it is a bespoke consultancy for a unique task, then the other option is to go out to market and test the market. I think both of those are used from time to time.

The Hon. MICK VEITCH: When you say "test the market" what is the process there? Is it selective expressions of interest? Is it just a general tender or does that all depend upon the contract and the consultant work you are looking for?

Mr BARNES: Look, there is a defined and set process that all agencies need to follow when they take things to market and those rules are well known and they are published. Those are the ones that we would comply with, including if we were to select people from a select list—again, a discrete and set and known set of rules.

The Hon. MICK VEITCH: Mr Barnes, I am not picking on you but essentially you are Mr Betts by proxy. Hopefully you can take these on notice for Mr Betts to get a chance to respond to as well. If I was to propose to you, then, what is the average day rate for consultants last financial year and this financial year—without actually identifying anyone we just want to know what the average is, would that be available?

Mr BARNES: I believe so, yes. We could take that on notice.

The Hon. MICK VEITCH: Can you take that on notice for last year and this one to date? That would be good.

Mr BARNES: Yes.

The Hon. MICK VEITCH: Also what is the longest tenure that we have a consultant on for? Do we engage consultants on a three-month, six-month, 12-month basis?

Mr BARNES: I again can take that on notice.

The Hon. MICK VEITCH: Okay. I guess where I am going to is—would we have anyone on board that has been there for, say, four or six years? Is there a long-term contract with a consultant that is on the books?

Mr BARNES: Again I am happy to take that on notice. Usually consultants have defined periods for them to undertake their consultancy. If the nature of the role has an ongoing element to it, it may well be that they have been engaged as a contractor or under a contract. But I will take that on notice.

The Hon. MICK VEITCH: So contractors are different to consultants?

Mr BARNES: Correct.

The Hon. MICK VEITCH: Okay. So on the basis of consultants or contractors, if they were to provide a service to the department—to the Government—and then that stops, how long before they could become permanent employees?

Mr BARNES: If you are talking about someone who was engaged as a temporary contract public servant—and that is what they would have to be—then there are some industrial norms that would apply. I would have to take advice from Industrial Relations because in different jurisdictions there are different thresholds. But typically if a person is engaged as a temporary contract public servant, as opposed to a contract with an end date or a consultant, then that might be around one or two years, depending on the jurisdiction. Again I am happy to take that on notice.

The Hon. MICK VEITCH: You can see where I am going here.

Mr BARNES: Yes.

The Hon. MICK VEITCH: There is the potential to circumvent the recruitment processes of government. I just want to make sure that that is not happening or it is accommodated in some way. If someone is engaged as a consultant to undertake role X and then they finish up employed in that position six months later as a permanent employee of the public service—could that happen or could they be engaged in another role in the public service? I just want to make sure that—

Mr BARNES: I know where you are going on that.

Mr KING: We have been through that process very recently. You can only convert them to ongoing if they have been selected through the same competitive process we would have gone through for a permanent ongoing recruitment.

The Hon. MICK VEITCH: Sorry, I missed that last bit. That just did not come through the mic.

Mr KING: In order to convert them to an ongoing role, when you were recruiting them for the temporary role you would have had to apply the same standard of—

Mr BARNES: Merit-based selection.

Mr KING: —merit-based selection that you would have done for an ongoing role.

The Hon. MICK VEITCH: So that would be for contractors as opposed to consultants?

Mr KING: Temporary staff.

Mr BARNES: A contract public servant—temporary public servant.

The Hon. MICK VEITCH: Okay. So if you have someone as a consultant it is a different process?

Mr BARNES: If they wanted a role in the public service they would have to apply for a position.

The Hon. MICK VEITCH: Yes.

Mr BARNES: There is no capacity to convert a consultant into a public servant without going through a process.

The Hon. MICK VEITCH: Okay. If you could just get the same—you all know where I am going with this. Essentially what I want to make sure is that a contractor, when the figures are being reported—we are talking about efficiency dividend numbers here and how you are going to generate those, and you are going to reduce the number of consultants. That is why the details you have taken on notice are how much are we spending on consultants as opposed to having employees in the public sector, and then how many of those get converted at some point? I do not want to see smoke and mirrors in the budgeting of our full-time equivalents, for instance.

Mr KING: When Mr Barnes was talking about consultants earlier, that would be as distinct from contractors. So the savings the department—consultants refer to time-limited engagements where you are contracting to a deliverable rather than a person. Those are the ones that the department has been targeting to reduce rather than reducing the number of contractors.

The Hon. MICK VEITCH: Okay. If we reduce the size of the contract or the consultancies, can people then be appointed to those via a delegated authority?

Mr BARNES: This is for a consultancy?

The Hon. MICK VEITCH: Yes, for a consultant.

Mr BARNES: Someone who is delivering in a time-limited fashion on a particular set of specifications—they would need to go through a procurement process or the person would need to seek an exemption from procurement because it needed to be done quickly or they were the only person in the market who could provide a particular service.

The Hon. MICK VEITCH: Okay, thank you.

Mr JUSTIN FIELD: Mr Roberts, at Comboyne State Forest just inland from Port Macquarie protesters shut down logging activities in that State forest on Saturday, as far as I am aware. Are you aware of what has been going on up there?

Mr ROBERTS: I am aware of Comboyne State Forest.

Mr JUSTIN FIELD: Are you aware that protesters interrupted logging operations over the weekend? I believe logging stopped as a result of those protests.

Mr ROBERTS: I had not heard that, no.

Mr JUSTIN FIELD: They did. What they have said to me is that they had found evidence of koalas in the active forestry coupe and that they wrote to the Forestry Corporation advising them of the presence of koalas and that no response was received by them. That is why they undertook to try and stop the forestry activity. What action do you take to identify the presence of koalas before logging starts?

Mr ROBERTS: This particular compartment—I am not sure. If this is planned under the Coastal Integrated Forestry Operations Approval then the way that koalas are accounted for is—there is a mapping process which determines what kind of koala habitat is spread across that block. If there is a particular habitat then there are provisions for increased tree retention and for set-asides and clumps. So where we have an existing buffer along a stream or a river an additional 5 per cent of the area will be set aside to make sure that we provide for koala habitat. The operations—as they proceed they also look for koalas as they are working through the bush to make sure that we do everything we can to avoid any impact. I should say that this area has been looked at by—the EPA was audited back in September 2019 and it did not raise any concerns.

Mr JUSTIN FIELD: What would the audit have been with the EPA in September 2019?

Mr ROBERTS: I do not know the details of the audit but I do know that they visited the site to have a look at how the operation was progressing and I guess they would be looking at how we were complying with the terms of the plan and the IFOA.

Mr JUSTIN FIELD: So logging was underway up there at that time and this is now continuing post-fires? Is that what is going on, then?

Mr ROBERTS: That is what I believe, yes.

Mr JUSTIN FIELD: Okay. I might get back to the auditing. But just continuing with the koalas, if people have identified koala activity in an area that is about to be logged—I do not think it is unreasonable to

expect that someone would go and have a look before logging activities start. If they are not getting any responses when they are raising these sorts of things with Forestry Corporation, who should they be contacting?

Mr ROBERTS: They should contact us or they should contact the regulator.

Mr JUSTIN FIELD: Why would the EPA—I mean, you have got to act in accordance with the IFOA, which contains provisions relating to koalas. Why the EPA? Why would they not want to speak directly with you?

Mr ROBERTS: You put to me that if somebody had a concern, where would they go to express that concern? In the first instance, we would like to think they would come and talk to us and we could have a look at the block and make appropriate adjustments if we needed to.

Mr JUSTIN FIELD: Who do they call?

Mr ROBERTS: We have offices in Wauchope and Coffs Harbour.

Mr JUSTIN FIELD: Just the local office?

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: If they did not get a response, then they should go to the EPA?

Mr ROBERTS: Yes. They can come to our office in Sydney.

Mr JUSTIN FIELD: You do not have an internal protocol to not respond to those things for a while and get the logging started?

Mr ROBERTS: No, we do not.

Mr JUSTIN FIELD: On the audits that you were mentioning before, you indicated that the Forestry Corporation has its own audits. Could you take on notice of whether those are made public or confirm when the last of those audits were done?

Mr ROBERTS: We will do that, yes.

Mr JUSTIN FIELD: What compliance is done with regard to current activities on the ground?

Mr ROBERTS: The audits comprise two different components. The first component would be an audit of our environmental management systems—what processes and procedures we have in place to make sure that as we carry out our activities we are complying with the regulatory framework. That would be more of an office-based part of the audit, where they would be looking at our plans and procedures and making sure that the documentation is complying with the IFOA. The second component would be the field audit, where they would go out to different parts of the State and have a look at the harvesting plan and have a look at the operations on the ground to make sure that they were complying with the plan. The plan having been checked at an office space, to make sure that it has been put together in the appropriate manner following all the processes and procedures, and then the field check, to make sure that it was being operationalised in the right way.

Mr JUSTIN FIELD: These are six monthly audits, you mentioned.

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: An external body every six months does an audit like that. They do not audit all of your forestry operations?

Mr ROBERTS: No, they do not, but they go to a specific area and undertake a fairly detailed audit at that level.

Mr JUSTIN FIELD: They might pick one particular logging coop and use that as the test?

Mr ROBERTS: No. They will go to one particular region and use that as the basis for the audit.

The Hon. TREVOR KHAN: That is how audits work.

Mr JUSTIN FIELD: Did you know the answer to those questions?

The Hon. TREVOR KHAN: Sort of. I would have guessed that. It is an audit. Sorry, I do not want to use up your time.

The CHAIR: It is like those two muppets on *The Muppet Show*.

Mr JUSTIN FIELD: We are normally not on the same side of the Chamber. That might be a good thing, for future reference. How do they make a decision about which sites to go and look at on the ground?

Mr ROBERTS: We try to make sure that between the auditor and ourselves we are going to areas that we think need to be audited. So we have some input into that process but at the end of the day the auditor is pretty much who drives it.

Mr JUSTIN FIELD: Mostly that would occur after logging has finished on that site. It would not be done while active logging is underway?

Mr ROBERTS: No, it would be done while active operations were undertaken.

Mr JUSTIN FIELD: I would like to talk now about the expression of interest process. We spoke about it, I think, last year. Thank you for creating opportunity for us to speak separately about this and other things. What is the status of the EOI process?

Mr ROBERTS: It is on hold.

Mr JUSTIN FIELD: Is it on hold completely?

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: At that point I think you had had expressions of interest and maybe had even selected one or two preferred options for that. The customers were in place. Is this because there is uncertainty around supply or do you have other things to do in the business at the moment?

Mr ROBERTS: Just at the moment we have plenty to do. We have the fire recovery to work through. We are very busy undertaking that. I will add a correction. I just had a note come through. The Australian Forestry Standard [AFS] audits actually occur every nine months, not every six months. I apologise.

Mr JUSTIN FIELD: That is all right. I know this is not your responsibility with regard to the mills, but the status of the contracts obviously have a really big economic bearing in regional communities and on these mills. Have you done any analysis about the status of the mills? Are you providing any advice to government around how small mills, in particular, are going to be able to sustain over the next 12 to 18 months?

Mr ROBERTS: Most of the work that we have been doing with government really is the work that we have been doing with DPI to get the operations to continue so that we can keep the logs flowing and keep regional communities and contractors operating. That is where most of our work has been going. Needless to say, logs are a very important part of sustaining the regional industry and keeping those mills going. That is the level at which we are working at the moment.

Mr JUSTIN FIELD: Do you know if stockpiles are at zero for some of these mills? Do you know what is happening with some of the smaller ones?

Mr ROBERTS: Just off the top of my head I could not tell you, but we do monitor stocks very carefully and closely through our regional offices.

Mr JUSTIN FIELD: So they will have a sense of what is going on at the different mills.

Mr ROBERTS: Yes.

Mr JUSTIN FIELD: Do you know what the status of the Eden woodchip mill is?

Mr ROBERTS: The Eden chip mill—Mr Barnes, I think you were down there.

Mr BARNES: My understanding is that it is operational and receiving timber maybe from across the border at the moment. It has an order to fill and a boat that is due to come in the not-too-distant future. One of the last areas to actually be able to get a cruise into harvest and transport timber has been in the Eden area. Allied Natural Wood Exports [ANWE], that run that mill, are anxious about making sure they have enough volume to fulfil the requirements for that first ship that comes in. The Forestry Corporation, again, is working with the EPA to make sure that we can try to fulfil those volumes.

Mr JUSTIN FIELD: Is that the case, Mr Roberts, that what they are getting at the Eden woodchip mill is currently from Victoria?

Mr ROBERTS: I am not actually sure. I have not spoken to the owner of that business for about a week. I am not sure where the wood is coming from but they do have some of their own plantations. It might be coming from across the border.

Mr BARNES: I can double-check that. I am in Merimbula on Thursday. One of the ANWE guys told me that the week before last.

The Hon. PETER PRIMROSE: I apologise: This may mean some musical chairs again. I just have a few quick questions, one again in relation to clean-up. I just want to talk briefly about a matter that was raised this morning—that is, the provision of clean water. I was wondering if you could talk about what happens if someone's tank has actually been melted by the fire. Is there a program to replace the tank? How long is that taking and how many have been replaced?

Ms FOX: That is not part of the Laing O'Rourke clean-up. We would take away destroyed tanks as part of the clean-up. Maybe Assistant Commissioner Willing can answer the other part.

Mr WILLING: I might take that one on notice, if I can, and come back to you. But in general terms some property owners are using charity funding to purchase tanks that have been destroyed et cetera. I will take it on notice and get you some further details on that.

The Hon. PETER PRIMROSE: Given that we are on the topic, can you talk about the provision of clean water generally? For example, how many people are still relying on bottled water?

Mr WILLING: I do not have the answer to that. Again, I will take it on notice. But I can indicate that the ADF alone delivered over 4.7 million litres of water during this current bushfire period. So a significant amount of water has been delivered on the ground. It is still available and they still delivering it where required. It is a difficult question to answer but I will take it on notice.

The Hon. PETER PRIMROSE: In relation to the tanks, beyond charities what programs are there to replace tanks? How long, how many and how long do you expect? Thank you for taking that on notice.

Mr WILLING: Yes.

The Hon. PETER PRIMROSE: I am not sure who here might be able to answer this but, broadly in relation to specific industries, are there actually plans to restore or protect those industries where jobs have been lost over the medium to long term? Do you expect that they will be lost? For example, is there a plan in relation to vineyards? A plan in relation to apiarists? That level of sophistication in planning for what may be significant job losses.

Mr BARNES: I think just before we broke for lunch, we were talking about—

The Hon. PETER PRIMROSE: Apiarists.

Mr BARNES: —the development of short-, medium- and long-term plans for industry-specific sectors, they being the five driver industries. I am happy to talk about tourism and fibre, but Scott Hansen might start talking about the other three.

Mr HANSEN: I think in a different committee or a different estimates hearing we started the conversation about the fact that there is this bleed between drought and fire impacts for a number of these industries. Therefore, repairing or returning to what was in existence before the fire but still in the middle of drought has made it a really complex planning process. We are still focused in the first instance around what can be done to assist them in the recovery and the re-establishment of the businesses—things like the announcement just recently for the horticulture industry around assistance with funding for the removal of dangerous trees and burnt trees.

We actually prohibit them from bringing in harvesters during this harvest period so that they can bring staff on, get what harvest they can from the salvageable parts of their orchards, assistance in funding for the removal of the hail netting and for the treated pine posts—stuff that is hard to dispose of in terms of removal. The industry plans that we have put together at the moment are still focused on that almost immediate need. It has moved beyond the urgent and unavoidable—the generators for dairies and so forth—but it has now moved to that recovery stage. We are working with each of those industries through recovery committees that are south and north based in terms of geographical location in terms of identifying next steps that are required from not just a Government funding provision but what industry can do itself, what other funders may be able to do and what recovery technical steps are required.

We are getting a lot of questions about—with orchards, for example—information about what trees to try to salvage, what trees need to be taken care of and what trees need to be just bulldozed. We are providing technical, on-the-ground advice as well as looking to what assistance can be provided by government to fast-track the recovery to try to keep the jobs there and try to keep the people in their communities.

Mr BARNES: In relation to those other two areas, Destination NSW is leading the tourism response. Obviously for the North Coast, that has been exacerbated by the coronavirus where a big percentage of their visitor economy funnels through either Sydney to Gold Coast or Brisbane and ends up on the North Coast. It is a bit different on the South Coast. As I think I reported in maybe the last estimates hearing, the bookings are really strong for Easter. That may change, given travel restrictions et cetera, but most of the traffic that comes into the South Coast comes from just over the border in Victoria—and they drive there—and from Canberra down the range. There is still optimism around that industry. We have talked about the fibre industry.

Obviously, the \$46 million announced today was part of a planned bigger package. I know that the Deputy Premier has been having conversations about the creation of further support, including potentially some support for key industries, because while most of 220-odd businesses that exist in the impacted areas have 20 or less people, we do have some very big family-owned businesses that are going to be critical for the continued economic wellbeing and social wellbeing of some of our most impacted communities. We are throwing ideas around as to how we might best support those folk for the medium-term recovery and, as I have said, also some place-based stuff with local councils. You have to do both.

Mr Willing might talk about this further, but in any good disaster recovery the leadership has to come from within the community. Yes, they need support from outside—and that is critically important—but the momentum to start it needs to be driven from local governments and chambers of commerce. So we are having ongoing dialogue not only with local government authorities and chambers but also the big, key players in those industries. I will have to say that at the moment the response has been very favourable about regional people being resilient and finding a way to battle through this. But it is going to be tough in some of our places. We talked earlier. Some of them do not have diversified economies. Typically, if they are 5,000 or less it is hard but a lot of these places—you talk about Eden, for example. There are a couple of thousand people in that community. They really have only the timber and the tourism industries and retail to support it. It is critically important we get alongside of them.

The Hon. PETER PRIMROSE: Mr Willing, do you have anything to add?

Mr WILLING: Not really to what Mr Barnes just said, but an example of a locally geographically based approach to recovery is the Richmond Valley Council and its work around Rappville. It has a plan about that particular little community there and that is an example, which we are hoping to advance, that is quite specific to that location. Obviously it cuts across industry that is specific to that geographical area as well in a broader sense. What Mr Barnes said is right: Recovery has been shown over the years to be best when it is locally driven.

The Hon. PETER PRIMROSE: In addition to talking about fire-affected communities directly, I was wondering if you could talk briefly about issues affecting communities that were affected by smoke. I know the issue, for example, for vineyards and the wine industry. Are there other particular issues that we should be aware of? Are there measures in place to try to address those issues?

Mr BARNES: I might get Mr Hansen to get to talk about the smoke taint in the vineyards.

Mr HANSEN: Obviously, we have been able to assist with covering costs for smoke taint tests across New South Wales vineyards so that they can make early decisions about what to leave on vines versus what to harvest. The results from those are still coming out region by region and varying between vineyards, but they are obviously a good example of an industry that do not sit within an LGA that has been declared because they had no fire within their LGA but they have had the impact from those fires. There is another one that falls in the same category. There are lots of reports about some of the downturn in business in tourism or agritourism, particularly in the Central West, and particularly the fact that for a long period of time both Bells Line of Road and the Great Western Highway were shut because of the fires in the Blue Mountains.

Even for the periods when it was in not shut, the nervousness from people east of the Great Dividing Range thinking about the risk of travelling over and potentially getting caught or being stuck led to some significant downturns in what would normally be a busy tourism part of the year. I think whilst we have been focusing on the LGAs that have had the most immediate impacts, it is fair to say that there are a lot of LGAs and businesses outside of that that have felt the impacts from these fires. It is about how do we help them. Again, this is one of those ones where many of those were dealing with drought. They then got hit with the impact of fire and they are now going to have equally the social disruption that coronavirus is going to bring in terms of travel, transport and tourism. In terms of the total suite of offering to assist them back on their feet, I do not think we fully understand the combined impacts yet to fully understand what they are going to need at the end to be able to come through.

The Hon. PETER PRIMROSE: In addition to vineyards and tourism, are there any other industries that may stand out to you that may be affected by smoke?

Mr BARNES: One of the things that we argued strongly with the Federal Government about was a requirement to change their criteria for loans for small businesses because with smoke taint, for example, if you are running a clothing retail store you cannot sell the clothes on. Look, through Assistant Commissioner Willing's representations, and the Deputy Premier's representations, we were able to get that criteria changed to include that. They are now being made available to that grant. One other thing I would say to you is that I have just got advice from the Water guys from within the agency, saying that there are currently no town water supplies in bushfire-impacted areas that are not fully operational. So they are all operational. That does not mean that people that are not on town water are still—

The Hon. PETER PRIMROSE: But that is good news.

Mr BARNES: Yes, that is good news.

The Hon. PETER PRIMROSE: In the time I have left I will ask a few questions about the bushfire disaster inquiry. You would be aware that there has been some concern raised in the media about why there are not always open public hearings as part of this. Can you describe the reason that the decision was made not to have all of the hearings of this as open public hearings?

Mr BARNES: That is not something I can comment on.

The Hon. PETER PRIMROSE: Anyone? I am not asking you to comment on policy, just if you know the reasons.

Mr WILLING: No, I do not know. I think that question has been asked of the Premier and others a number of times. I think they have answered that publicly but I do not know the exact reasons, no.

The Hon. PETER PRIMROSE: Again, I will not press the point, but it does seem at odds with the fact that the solutions have to come from within the community, which we were outlining earlier. Do you know how many people have so far made a formal submission to the inquiry?

Mr WILLING: No.

Mr BARNES: Mary O'Kane, who is running the inquiry, and that is being run out of the Department of Premier and Cabinet, so that would need to be a question directed I think—

The Hon. PETER PRIMROSE: So none of your agencies are involved at all in that?

Mr BARNES: We have been consulted, as obviously we should be.

Mr WILLING: I can indicate that they are out—Dave Owens, Mary O'Kane and their staff are out doing extensive consultation as we speak. I think they are in the northern part of the State this week. They have certainly dropped in and visited us at the disaster recovery office. I know that they have been to other parts of the State as well, including up in the Blue Mountains-Lithgow area, and they are scheduled to go down south as well.

Mr BARNES: They are not out today, because I saw Mary O'Kane this morning and she had some stories about some of the community people she had been talking with where I had been in a similar location. But I think it is also fair to say that my experience is that, as I have travelled in the bushfire areas, and so too has Mr Hansen, some people who we were looking at going to listen to their stories did not want us there. They had other things to grapple with. They made it very clear that they would bring their stories to us and no doubt to other folk in their own time because they were dealing with massive disruption in their life.

The Hon. PETER PRIMROSE: In addition to doing something as part of the bushfire recovery in relation to existing industries that were affected, what plans are there to bring new industries to those affected communities?

Mr BARNES: Obviously you might have heard us talk previously about the Government's Regional Economic Development Strategies, the Government's approach to both special activation precincts, which is moving apace, and local activation precincts, which are a cut-down version of that. All of those things are proceeding with a view to diversifying the economy and making sure that, where possible, we can bring footloose companies into the regions. We do have a bucket of money where we can incentivise bespoke footloose companies into regional locations and we have been successful in the last couple of weeks in making some very good announcements about brand new jobs being brought into regional locations. I am happy to provide that information to you.

The Hon. PETER PRIMROSE: That would be valuable. What is the link between that and the new Global NSW?

Mr BARNES: I will let Ms Bell expand on it. Obviously we are looking, for example, in our special activation precincts. There are a number of them that have already been announced. But we are looking for investors to come into those precincts, as well as the one in western Sydney—that is, the aerotropolis. We use the networks that are available to us in those outposts around the world to be able to communicate information about the nature of what is available and what we are looking for. So, Ms Bell, you might expand?

The Hon. PETER PRIMROSE: Maybe if I could be more specific in that the next round of estimates I am going to ask you what has been achieved through Global NSW to actually attract new investment in these communities which are bushfire affected. What sort of answer do you think I might expect to get?

Ms BELL: In the last six months I think we have had something like 13 significant investment wins. I would have to come back to you to clarify which of those are in regional locations and which regional locations, but they have created over 1,000 jobs. There may be an impact on some of this investment as a result of the coronavirus, though, too, because a lot of international companies may not want to invest at the moment.

Mr BARNES: One of the things that we have specifically been doing over the course of the last two years is to invite all of the consul generals and their economic advisers, who typically are sitting in Sydney and never leave Sydney, to visit regional locations with our people there and Austrade's investors to look at opportunities. I think we have been to most parts of the State and we have realised several large contracts as a result of business-to-business opportunities that we have been able to create. Again, I am happy to get you information on that.

The Hon. PETER PRIMROSE: I have one final question if I can on this point. Which Minister is actually responsible for administering Global NSW?

Ms BELL: It actually cuts across the Treasury cluster, so therefore it is actually a joint venture, I would call it, between the Treasurer, the Deputy Premier and Minister Ayres. Roles and responsibilities have been split across the three.

Mr JUSTIN FIELD: Sorry, Mr Roberts, I did not quite finish around that EOI process. I just wanted to be clear, you said it had been abandoned.

Mr ROBERTS: On hold.

Mr JUSTIN FIELD: On hold. Had contracts been signed to purchase or use that wood or is it just that the process of accessing it has been abandoned?

Mr ROBERTS: I would need to get back to you on those specifics.

Ms FOX: Mr Chair, can I just clarify my answer about concrete piers? An engineering question. So, normal concrete fittings and above-ground piers are included in the scope. Deeper piers and underground piles below ground level are not usually included but are considered on a case-by-case basis, which is part of the bespoke nature. They do not want to dig big holes and remove them and create unsafe environments for the rebuild.

The Hon. MICK VEITCH: Thank you.

The CHAIR: Before we conclude, are there any other clarifications or is there any information you want to bring back from questions you were to take on notice?

Mr ROBERTS: I have one just on the volume of wood. Week nine of this year 6,500 cubic metres was delivered, running at 60 per cent capacity.

Mr JUSTIN FIELD: So 60 per cent of wood supply contracts, effectively?

Mr ROBERTS: What would be normal at this time of year.

Mr HANGER: Just in regards to the 11 projects that were successful under round six of Resources for Regions, eight of those have been contracted and three are in final negotiations. So eight of those are already what Infrastructure NSW would consider active and the final three are just in the final stages of negotiations.

The CHAIR: If there are no further clarifications we will conclude today's hearing. The secretariat will be in touch for any other questions that have been taken on notice and any supplementary questions that the members put forward. Thank you for your time.

(The witnesses withdrew.)

The Committee proceeded to deliberate.