

# **PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT**

**Friday 6 March 2020**

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

## **ENERGY AND ENVIRONMENT**

**UNCORRECTED**

**The Committee met at 09:30**

### **MEMBERS**

Ms Cate Faehrmann (Chair)

The Hon. Mark Buttigieg

The Hon. Catherine Cusack

Mr Justin Field

The Hon. Ben Franklin

The Hon. Shayne Mallard

The Hon. Mark Pearson (Deputy Chair)

The Hon. Adam Searle

The Hon. Penny Sharpe

Mr David Shoebridge

### **PRESENT**

**The Hon. Matt Kean**, *Minister for Energy and Environment*

**Mr James Griffin**, *Parliamentary Secretary for the Environment and Veterans*

## **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. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay respect to the Elders past and present of the Eora nation and extend that respect to other First Nations people present. I welcome Minister Kean, Mr James Griffin, Parliamentary Secretary for Environment and Veterans, and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio areas of Energy and Environment.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I 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 hearings 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 answer only if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take the question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Minister, 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. A transcript 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. Minister Kean, 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. The same applies to Mr Griffin. I remind the following witnesses that you do not need to be sworn as you have been sworn at an earlier budget estimates hearing before this Committee: Mr Betts, Ms Mackey, Mr Hay, Dr Wilson, Dr Fleming, Ms Stephens, Mr Quirk, Ms Molloy, Ms Dwyer and Mr Beaman.

**JIM BETTS**, Secretary Department of Planning, Industry and Environment, on former affirmation

**TRACEY MACKEY**, Chief Executive Officer, NSW Environment Protection Authority, on former affirmation

**JAMES HAY**, Deputy Secretary, Energy, Climate Change and Sustainability, Department of Planning, Industry and Environment, on former oath

**KATE WILSON**, Executive Director, Climate Change and Sustainability, Department of Planning, Industry and Environment, on former affirmation

**ATTICUS FLEMING**, Deputy Secretary, National Parks and Wildlife Service, Department of Planning, Industry and Environment, on former affirmation

**NAOMI STEPHENS**, Acting Executive Director Park Operations, National Parks and Wildlife Service, on former affirmation

**ROBERT QUIRK**, Executive Director, Park Programs, National Parks and Wildlife Service, on former affirmation

**SHARON MOLLOY**, Acting Executive Director, Biodiversity and Conservation, Department of Planning, Industry and Environment, on former affirmation

**CARMEN DWYER**, Executive Director, Waste Operations and Programs, NSW Environment Protection Authority, on former affirmation

**STEPHEN BEAMAN**, Executive Director, Hazardous Incidents and Environmental Health, NSW Environment Protection Authority, on former oath

**PAUL ELTON**, Chief Executive Officer, Biodiversity Conservation Trust, Department of Planning, Industry and Environment affirmed and examined

**DAVID FOWLER**, Acting Executive Director, Regulatory Operations Metro, NSW Environment Protection Authority, affirmed and examined

**ANDREW LEWIS**, Executive Director, Energy Consumers and Programs, affirmed and examined

**SANJAY SRIDHER**, Executive Director, Circular Economy and Resource Management, Department of Planning, Industry and Environment, affirmed and examined

**JUSTIN HILLIER**, Chief Financial Officer, Essential Energy, sworn and examined

**LUKE JENNER**, General Manager, Customer and Network Services, Essential Energy, sworn and examined

**RICHARD BEAN**, Chief Executive Officer, NSW Environment Protection Authority, affirmed and examined

**MELANIE HAWYES**, Deputy Secretary, Board Policy, Strategy and Science, Department of Planning, Industry and Environment, affirmed and examined

**The CHAIR:** The hearing today will be conducted from 9.30 a.m. to 11.30 a.m. with the Minister and Mr Griffin. Then a 10 minute break will be taken. The Minister and Mr Griffin will then return from 11.40 a.m. to 12.40 p.m. Departmental witnesses will be examined from 1.40 p.m. to 4.20 p.m. with a 10 minute break from 2.40 p.m. to 2.50 p.m. I declare the proposed expenditure for the portfolio areas of Energy and Environment open for examination. As there is no provision for any witnesses to make any opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

**The Hon. ADAM SEARLE:** Minister, during the recent storms, Ausgrid was struggling to do its job—clear the debris, reconnect homes and businesses. It was taking so long in fact that Ausgrid asked you to help them call out the army. That just shows Ausgrid did not have the resources to do its job properly, did it not?

**Mr MATT KEAN:** Let us get the facts on the table. These were some of the biggest storm events to hit the network in the last 30 years. It was a big job that needed to be done. We had over 4,000 incidents on the network. There were trees down, debris everywhere, wires down, broken poles. There were around 200,000 customers without power for a period of time. We had wind gusts up to 107 kilometres per hour. We had a year's worth of rain in four days. It was a huge job to get people reconnected.

**The Hon. ADAM SEARLE:** Sure, but they were not the worst storms that Sydney has ever had. You were on radio saying that Ausgrid had 4,300 staff. That just was not true; you were misleading the community about the level of resourcing Ausgrid had.

**Mr MATT KEAN:** That is not correct at all. In fact, if you refer to the Independent Pricing and Regulatory Tribunal [IPART] report in December 2019, Ausgrid has reported that it has 4,298 full-time equivalent [FTE] staff.

**The Hon. ADAM SEARLE:** You made your claim on the Wendy Harmer show on 12 February. I went to the IPART website and dated 10 February—two days before you went on radio—even Ausgrid acknowledged they had less than 4,000 staff. Minister, are you not across your brief or why were you misleading the community?

**Mr MATT KEAN:** I do not think you are across your brief because that IPART report, although it was announced, it was made on 10 February, it was not released publicly until 12 February. What I was referring to is the—

**The Hon. ADAM SEARLE:** Did you not check with Ausgrid about the level of staffing?

**Mr MATT KEAN:** Mr Searle, what I—

**The Hon. ADAM SEARLE:** Did you not check with Ausgrid?

**Mr MATT KEAN:** Glad you asked. What the department checked—I relied on advice from my department, who had checked with Ausgrid about the level of staffing, and they referred—

**The Hon. ADAM SEARLE:** So you are saying Ausgrid misled you?

**Mr MATT KEAN:** —to the IPART report on 9 December 2019 which said Ausgrid reported 4,298 full-time equivalent staff.

**The Hon. ADAM SEARLE:** Just within days of that, this document was released.

**Mr MATT KEAN:** I know this does not help with your TV grab, but the reality is the IPART report, which I relied on, was in fact accurate as at 9 December and the report you are referring to did not come out until two days after my radio interview.

**The Hon. ADAM SEARLE:** Really?

**Mr MATT KEAN:** Yes.

**The Hon. MARK BUTTIGIEG:** Your radio interview was on 12 February and the IPART report is dated 10 February.

**Mr MATT KEAN:** My radio interview with Wendy Harmer that you are referring to was at 7.30 in the morning, I recall.

**The Hon. ADAM SEARLE:** Yes. Are you saying it came out the same day?

**Mr MATT KEAN:** What I am saying is that I am relying on the IPART report on 9 December 2019.

**The Hon. ADAM SEARLE:** After I heard you on the radio I went to the IPART website and pulled this off.

**Mr MATT KEAN:** Did you? Okay.

**The Hon. MARK BUTTIGIEG:** The IPART report, Minister, is dated 10 February.

**Mr MATT KEAN:** The IPART report that I was referring to was dated 9 December 2019.

**The Hon. ADAM SEARLE:** Let us just move on. You said Ausgrid had more staff than before privatisation. You said Ausgrid at privatisation had about 3,882 staff. If you go to Ausgrid's final annual report pre-privatisation in 2015 they had 4,500 full-time equivalent staff. Again, what were you relying on to claim that Ausgrid had more employees today than before privatisation?

**Mr MATT KEAN:** What I was relying on is the number of full-time equivalent staff that Ausgrid reported to IPART in August 2016.

**The Hon. ADAM SEARLE:** That is post-privatisation.

**Mr MATT KEAN:** Well, the transaction did not occur. The report that Ausgrid made to IPART was that they had 4,092 staff.

**The Hon. MARK BUTTIGIEG:** Minister, when did the sales transaction occur?

**Mr MATT KEAN:** The transaction occurred in 2016. Ausgrid reported that they had staffing of 4,092 in August.

**The Hon. ADAM SEARLE:** What we learned in the wake of your interview was there was an internal Ausgrid document released which shows that as at December 2019 Ausgrid in fact had 4,238 staff, dropping a further 10 staff—so 4,228. That includes temporaries and contractors and labour hire. Their report to IPART says they have got 3,950. Their own internal document says they have got less than 3,300. How do you reconcile their internal document with what Ausgrid has reported to IPART?

**Mr MATT KEAN:** That is an internal document. I had not seen that at the time I had my interview. What I had seen was the IPART report.

**The Hon. ADAM SEARLE:** Well, now that you are aware of it, what inquiries have you made with IPART or with Ausgrid to make sure that you are satisfied they are meeting the minimum staffing required by law?

**Mr MATT KEAN:** You are providing me with a document that I have not seen. I am not going to sit here and take your word for it. I am very happy to take it on notice and have a look at that document and come back to you.

**ANSWER:**

I am advised that IPART confirms the consistency of the data reported to it by Ausgrid against the *Electricity networks reporting manual Employment guarantees*.

**The Hon. ADAM SEARLE:** Okay. Will you now make inquiries to satisfy yourself that Ausgrid are meeting the mandated minimum staffing levels?

**Mr MATT KEAN:** The inquiries I will make are with IPART, who monitor compliance with the legislated job guarantees. And according to the latest IPART reports, or the IPART reports that I have seen, Ausgrid have got more staff than the legislated job guarantees.

**The Hon. ADAM SEARLE:** But their own internal document, which I am happy to provide you a copy of, suggests something very different. It says they are resourced well below what they are supposed to be.

**Mr MATT KEAN:** Firstly, it is not their internal documents that monitor compliance with the legislated job guarantees. It is IPART, which is the independent regulator.

**The Hon. ADAM SEARLE:** Well, no, but presumably there is some relationship with the reports they make to IPART.

**Mr MATT KEAN:** Let us get the facts on the table here.

**The Hon. MARK BUTTIGIEG:** Minister, can I just put this in context? We have had a situation unprecedented where people in Sydney have been without power for a week. You called in the army for assistance and you are telling me, as the Minister responsible for keeping the lights on, that you have not made inquiries about why this—this has been the subject of media inquiry, these documents. You are telling me you have not inquired as to why there is such a significant disparity between a figure of 3,328, which Ausgrid are quoting, and the IPART report?

**Mr MATT KEAN:** That is not what I am telling you. What I am telling you is that Ausgrid are complying with the legislated job guarantees that were in place at the time of privatisation and that is not according to me, that is according to IPART.

**The Hon. ADAM SEARLE:** Well, I guess that is the question. Are they?

**The Hon. MARK BUTTIGIEG:** That is in question, is it not?

**Mr MATT KEAN:** That is according to IPART that they are complying with the minimum job guarantees. Mr Buttigieg, the point that you are trying to make is that—I do not want to see people without power any longer than they need to be. That is exactly why, when they asked me to get support to make sure people were

connected as soon as possible, I obviously said, "I will support whatever it takes to get people connected as soon as possible."

**The Hon. ADAM SEARLE:** Since privatisation Ausgrid has shed over 1,300 full-time equivalent jobs. They were clearly struggling to deal with the consequences of the storm. Mr Armstrong, who is the Chief Operating Officer I believe, said, "No good business would resource up to the level that is required to respond to a storm of this scale." Now it was not the worst storm Sydney had ever faced. I think you would agree, with climate change we are going to experience more frequent and more extreme weather situations. In the wake of that admission by Ausgrid that they cannot deal with a storm of the kind we experienced, what steps are you taking to make sure either that they have the resources or that the resources are otherwise present to assist them to make sure they can reconnect people swiftly?

**Mr MATT KEAN:** The first thing is that a lot of the work that was required to get people reconnected involved clearing debris and removing trees of that nature. That does not require technicians and frontline staff. That requires people who can work a chainsaw, Mr Searle.

**The Hon. ADAM SEARLE:** But Ausgrid and the other distribution companies used to carry those resources. They used to be able to do that work as well. Now the burden of that is falling on the SES and other volunteer bodies. So given that Ausgrid no longer has that capability, what are you doing to make sure they can actually do the job the community expects them to do?

**Mr MATT KEAN:** The first thing we are doing to make sure that Ausgrid can do the job that they are required to do is ensuring that Ausgrid meets the legislated minimum job guarantees, which IPART is responsible for ensuring compliance with. That is the first thing. The second thing that we are doing is if Ausgrid ask us for additional resources, like they did after the weather events that we saw over summer, then obviously the Government wants to support that. If they need resources from the SES and if they need resources from the army—I do not care if they need resources from the Marines; I just want people connected to the power system as soon as possible.

**The Hon. ADAM SEARLE:** Sure. The point was they clearly were not doing their job. They were struggling. Why else would they ask you to call out the army?

**Mr MATT KEAN:** Because there were over 4,000 events on the system. There were trees down. There was debris that needed to be removed. There was a huge task to get the job done, Mr Searle.

**The Hon. ADAM SEARLE:** Yes, there was.

**Mr MATT KEAN:** That is the reality.

**The Hon. MARK BUTTIGIEG:** Minister, with all due respect—

**Mr MATT KEAN:** Can I just finish my answer, Mr Buttigieg? With all due respect, some entire bits of the network had to be rebuilt, street by street. It was a really big job.

**The Hon. MARK BUTTIGIEG:** Minister, I can tell you from personal experience—I worked for that organisation for 30 years—that was not a one-in-30-years event. There are many instances where we have storms like that in Sydney—admittedly not every year, maybe once every five years. I can never remember in my whole time at Ausgrid, since the age of 15 working for them as an apprentice, having to call out the army. That is because they were adequately resourced and when they were not they called other distributors—Essential Energy and Endeavour—who at that stage had the resource. But because they have had their workforces slashed too, there is clearly an under-resource.

The idea that you can bring a person in who is untrained from the army to restore electrical supply on a live network is fanciful. What we are asking is what inquiries have you made to make sure that, number one, Ausgrid is complying with the minimum legislated amount? Because there seems to be a dispute about whether or not they are actually doing that—IPART are saying one thing and their internal documents are saying another. And what confidence can we have that this will not happen again next time there is a catastrophic event?

**Mr MATT KEAN:** The first thing I would say is that IPART ensure compliance with the minimum legislated job guarantees that are in place.

**The Hon. MARK BUTTIGIEG:** Are you comfortable—

**Mr MATT KEAN:** If Ausgrid feel that they need additional resources then there is a clear pathway for them to achieve that.

**The Hon. MARK BUTTIGIEG:** What is that pathway? Calling the army in?

**Mr MATT KEAN:** They can go to the Australian Energy Regulator and ask for an increase in their revenue stream if they need more resources to meet these events. These events are going to become more frequent and Ausgrid has every opportunity to go to the independent regulator to get a revenue determination to increase their budgets. That is the appropriate way to do it, and the reason that is the appropriate way to do it is because I think that it should not be the Electrical Trade Union [ETU] determining the resourcing of Ausgrid. It should be an independent body because someone has got to pay for it. The independent Australian Energy Regulator is the body that determines whether or not the resourcing is adequate and whether or not the costs that consumers have to pay are appropriate for the level of resourcing. That is why an independent body is there to get these decisions right. We will rely on the independent bodies, Mr Buttigieg, not your friends in the ETU.

**The Hon. ADAM SEARLE:** Minister, the controversy over whether IPART is properly supervising Ausgrid's compliance has been live now for three weeks. What have you done to satisfy yourself or the Government that they are complying with the law?

**Mr MATT KEAN:** IPART is the independent regulator.

**The Hon. ADAM SEARLE:** Yes, but you are the Minister for Energy and Environment in this State.

**Mr MATT KEAN:** They are independent for a good reason.

**The Hon. BEN FRANKLIN:** Point of order, Madam Chair—

**The CHAIR:** A point of order is being taken. Order!

**Mr MATT KEAN:** They ensure that Ausgrid is complying with the legislation that the Government has passed.

**The CHAIR:** Order! Minister, a point of order is being taken.

**The Hon. BEN FRANKLIN:** Madam Chair, my point of order is this: I have let this go for a number of times now, but what we seem to be starting to build is the tradition of members interrupting the Minister when he is in the middle of an answer. We have got the Minister now for an extra hour than we thought we were going to have; we have got oodles of time. I just ask that you rule that the Minister be allowed to answer his questions when he is asked.

**The CHAIR:** Thank you. Now I do not mind, as Chair, a lot of robust debate. I think it is fair actually for members to begin interrupting the Minister if the Minister is continuing to make points and make points and make points and taking up time, potentially, rather than answering the question, but we will keep monitoring it. But, yes, the Minister and other witnesses should be able to respond without interruption. However, you have to draw a line somewhere in terms of the length of that response. Continue questioning, please, Mr Searle.

**The Hon. ADAM SEARLE:** I think your answer is that you have done nothing in the last three weeks to satisfy yourself that they are complying, you are just leaving it to IPART. That is your answer, is it not?

**Mr MATT KEAN:** The IPART is the independent authority that monitors compliance with the legislation—

**The Hon. ADAM SEARLE:** It may be, but the issue is whether—

**Mr MATT KEAN:** And if you were so concerned about the level of resourcing at Ausgrid, then why do you not pick up the phone to the majority shareholder of Ausgrid, which is Australian Super? And who is on the board of Australian Super? A conga line of Labor luminaries. You would be familiar with Dave Oliver, would you not? He was the former head of the Australian Council of Trade Unions. You would be familiar with Brian Daley. Was he not the head of United Voice? Maybe the very impressive Dan Walton from the Australian Workers Union. These are the majority owners of Ausgrid, so feel free to pick up the phone to them—

**The Hon. MARK BUTTIGIEG:** Minister, are you suggesting you no longer have any responsibility for keeping the lights on in Sydney because of an independent regulator, and you have sold it?

**Mr MATT KEAN:** That is not what I am suggesting at all, Mr Buttigieg.

**The Hon. MARK BUTTIGIEG:** Well, you are opting out.

**Mr MATT KEAN:** What you are suggesting is that somehow—

**The Hon. MARK BUTTIGIEG:** Opting out to the independent regulator—is that the answer?



**Mr MATT KEAN:** What you are suggesting is that somehow you are against privatisation when it is your mates lining up at the Treasurer's door in their bomber jackets asking for the Government to privatise more assets. It is your mates banging on the door. They cannot get enough assets. Are you for privatisation or are you against it, Mr Buttigieg?

**The Hon. ADAM SEARLE:** We are against privatisation.

**Mr MATT KEAN:** This week.

**The Hon. MARK BUTTIGIEG:** Are you suggesting that the public has no lines of accountability through its Minister for keeping the lights on? Is that what you are seriously suggesting here today?

**Mr MATT KEAN:** No, that is not what I am suggesting at all. They are your words, Mr Buttigieg.

**The Hon. MARK BUTTIGIEG:** You just said to ring the super funds—it is their problem.

**Mr MATT KEAN:** I am trying to understand whether you are for privatisation or against privatisation because all your mates in the union movement are lining up to try to buy more government assets—in fact, they are the majority owner of Ausgrid—so if you are so concerned about resourcing in Ausgrid, why don't you pick up the phone to your friends in the union movement?

**The Hon. MARK BUTTIGIEG:** Minister, we are not responsible for keeping the lights on; you are. You are the responsible Minister. You are elected by your constituents to do a job and that is to make sure that people are not without supply for weeks on end in a ridiculous situation because you have sold the distributor and the distributor has cut 2,000 staff. What we want to know is what you are going to do about it.

**Mr MATT KEAN:** Mr Buttigieg, on that point—

**The Hon. MARK BUTTIGIEG:** Other than blame the regulator.

**Mr MATT KEAN:** "I supported the power restructure because of the beliefs I had." They are not my words; they are the words of your leader, the Leader of the Opposition, Jodi McKay—the lady you voted for to be the Leader of the Opposition. She is your candidate. She supported privatisation. I cannot work out whether you are for privatisation or you are against privatisation. You will say whatever it takes to get a cheap political hit.

**The Hon. ADAM SEARLE:** Minister, we have established that Ausgrid's internal document says that they have about 3,200 staff at the moment. We know from what Ausgrid's chief operating officer said during the storms that Ausgrid itself did not have the resources to properly deal with that situation. Would it concern you to learn that Ausgrid is now proposing to cut a further 500 staff from its workforce?

**Mr MATT KEAN:** Look—

**The Hon. ADAM SEARLE:** Are you aware of that proposal?

**Mr MATT KEAN:** There are minimum legislated job guarantees in place.

**The Hon. ADAM SEARLE:** They expire this June.

**Mr MATT KEAN:** Those job guarantees—

**The Hon. ADAM SEARLE:** They expire in June; are you aware of that?

**Mr MATT KEAN:** Compliance with those job guarantees is monitored by the independent regulator IPART.

**The Hon. ADAM SEARLE:** Yes.

**Mr MATT KEAN:** If Ausgrid wishes to increase its resourcing there is an avenue from which they can pursue that, and that is through the Australian Energy Regulator [AER].

**The Hon. ADAM SEARLE:** Minister, you may be hard of hearing—

**Mr MATT KEAN:** That is an independent body that balances the needs of resources with the needs of customers to ensure that they do not overpay for the electricity they get.

**The Hon. MARK BUTTIGIEG:** My colleague just told you that they are planning to reduce by 500. There is a document here with that statement of fact. You are telling us that they can choose to up-resource. What do you not understand about this?

**Mr MATT KEAN:** Are you asking me to take your word for it? I mean I have not seen this document.

**The Hon. MARK BUTTIGIEG:** No, there is a document here we can table.

**Mr MATT KEAN:** I am very happy for you to table it and I am very happy to take it on notice. I have not seen the document.

**The Hon. ADAM SEARLE:** Minister, I am looking at an internal Ausgrid document saying, "Financial year 2020 Enterprise Consultation", dated June 2019, and it says here quite clearly that the organisation is proposing to shed another 500 staff from its workforce post the job guarantees expiring in June. We know they have only got 3,200 staff now. We know they could not deal with the storm situation because that was admitted on radio by the chief operating officer of Ausgrid—they could not do the job the community expected them to do—and now they are proposing to cut another 500 staff. Are you aware of that proposal, does it concern you and what are you going to do to make sure Ausgrid can actually perform its functions?

**Mr MATT KEAN:** I am very happy to take that question on notice. I have not seen the document you are referring to. I would be very interested to see the document and I am happy to come back to you on it.

**ANSWER:**

I am advised that according to the latest IPART Fact Sheet dated 10 February 2020, Ausgrid is compliant with the legislated employment guarantee. As a commercial business, Ausgrid manages its own operational matters.

**The Hon. ADAM SEARLE:** So you are not aware of that proposal?

**Mr MATT KEAN:** I have not seen the document that you are referring to.

**The Hon. ADAM SEARLE:** That is not my question. Are you aware of Ausgrid's proposal to shed a further 500 staff from its workforce, taking it to about 2,700 staff?

**Mr MATT KEAN:** Mr Searle, I think I have explained to you—

**The Hon. ADAM SEARLE:** No, you have not answered the question.

**Mr MATT KEAN:** There is an appropriate pathway for Ausgrid to pursue should they wish to increase their resources.

**The Hon. ADAM SEARLE:** Are you aware of the proposal?

**Mr MATT KEAN:** That is through the Australian Energy Regulator, the independent body that balances the resourcing needs of network operators like Ausgrid with the needs of consumers to not overpay for the cost of their electricity.

**The Hon. PENNY SHARPE:** Minister, this is a really straightforward question: Are there 500 jobs to go in Ausgrid or not?

**Mr MATT KEAN:** It is entirely appropriate that they are the body that makes these decisions, that monitors these decisions—

**The Hon. PENNY SHARPE:** We are not talking about increasing their staffing, which I of course would be happy to do. Can you answer the question: Are there 500 jobs to go in Ausgrid or not?

**Mr MATT KEAN:** What we have to do is focus on ensuring that there is adequate resourcing in the operators, in the network operators, and balance the needs of consumers who have to pay for it, and that is exactly why we have an Australian Energy Regulator, to perform that function, and that is entirely appropriate. We should not have the ETU deciding the resourcing requirements of our network operators because people have to pay through the nose for it.

**The Hon. PENNY SHARPE:** That is not the question. The people who basically lost all of their perishable goods and were unable to look after their kids for a week under candlelight want to know how many jobs there are.

**The Hon. BEN FRANKLIN:** Point of order: It is the same point of order, but it is not actually about either the Minister or the witness this time, it is about Hansard, who have an impossible task if people are going to keep talking over each other.

**The CHAIR:** Yes, the point of order is upheld. Try not to talk over each other for the purposes of Hansard. Continue the line of questioning, Mr Searle.

**The Hon. ADAM SEARLE:** The fact is that the AER does not set the staffing level of any of the companies, including Ausgrid. Ausgrid makes that decision. Ausgrid did not have the staff resources to do its job in the storm and now they are proposing to shed another 500 jobs. The question I have of you is: Are you aware of that proposal—yes or no—and, if yes, what are you proposing to do about it?

**Mr MATT KEAN:** The proposal you are referring to relates to a document that you have in front of you.

**The Hon. ADAM SEARLE:** Independently of the document—

**Mr MATT KEAN:** I have not seen this document that you are talking about.

**The Hon. ADAM SEARLE:** Independently of the document, are you aware of the proposal?

**Mr MATT KEAN:** I am very happy to look at the document you are referring to and take the question on notice.

**ANSWER:**

I am advised that according to the latest IPART Fact Sheet dated 10 February 2020, Ausgrid is compliant with the legislated employment guarantee.

**The Hon. ADAM SEARLE:** Are you aware of the proposal to cut 500 jobs independently of the existence of this document?

**Mr MATT KEAN:** Well, you are telling me about it here, but I am not going to take your word for it.

**The Hon. ADAM SEARLE:** So you are not aware of it.

**Mr MATT KEAN:** That is why I am asking you to provide the document, so I can have a look at it, examine it and come back to you.

**The CHAIR:** Minister, turning to the fires, what new additional funding has your agency been given following the fires this season?

**Mr MATT KEAN:** The first thing we have done is to release a wildlife recovery plan. That is a plan to deal with the immediate impacts of the bushfires. That plan includes things like additional food drops to our native and threatened species, and providing artificial watering stations for our koalas, particularly on the north coast. We are going to undertake the biggest feral pest eradication program in the State's history. These are responses in the immediate aftermath of the bushfires.

**The CHAIR:** Where has the funding come from? Has it been redirected or is it additional funding to your agency as a result of the fires?

**Mr MATT KEAN:** It has been redirected. We are putting in budget bids obviously through the upcoming budget process to get additional funding to support the medium to longer term bushfire recovery plans that we are developing at the moment.

**The CHAIR:** Is that wildlife recovery additional money to deal with extinction crises as well?

**Mr MATT KEAN:** That is additional money to deal with things like—

**The CHAIR:** That you are requesting in the next budget?

**Mr MATT KEAN:** Yes, that is correct, so it is additional money to deal with pest eradication, additional money to deal with weed management, additional funding to do recovery of injured wildlife and rehabilitation—there will be a whole comprehensive package that we are requesting from Treasury to support the recovery efforts for our natural environment.

**The CHAIR:** That would be from 1 July. Is that correct? If you were successful in that bid, from 1 July you would see more funding come into your agency.

**Mr MATT KEAN:** Yes, that is the ambition. Treasury is obviously very judicious in how it assesses budget bids, but we think we have put forward a very good budget bid to support the recovery efforts of our natural environment.

**The CHAIR:** During the fires and with the hit that our wildlife and our national parks have taken, which I am sure you will talk about over the next couple of hours, throughout that entire process did you request additional funding from Treasury to deal with the impacts of the fires?

**Mr MATT KEAN:** We were able to find additional resources to support the immediate response that we rolled out. That response obviously has started but we do need additional funding for the medium- to long-term plans that we are hoping to roll out as well.

**The CHAIR:** Did you request from Treasury additional funding during that crisis?

**Mr MATT KEAN:** It was not required. We were able to meet the needs identified by the scientists and our experts in the department with the resources that we had available.

**The CHAIR:** Are you confident that your department had all the resources it needed during the catastrophic bushfires to address what was happening?

**Mr MATT KEAN:** That is not what I said. What I said is that our department has developed an immediate bushfire recovery response. We had the resources already within existing budgets but we were able to shuffle things around to make sure we had the resources to meet the immediate response that was required after the bushfires.

**The CHAIR:** How many hectares of the national park system were burnt during this season's fires? What is that statistic—37 per cent? Is that correct?

**Mr MATT KEAN:** The total number of hectares that were burnt across New South Wales was in the order of 5.5 million. I think it was around 2.7 million hectares of our national park estate. I am happy that over to Atticus Fleming.

**The CHAIR:** We just need the percentages.

**Mr FLEMING:** Yes, that is correct—about 2.7 million hectares roughly, 36 or 37 per cent.

**The CHAIR:** Are you aware the number of hectares or the percentage of coastal State forests that were burnt during these fires?

**Mr MATT KEAN:** No, I am not but I will hand it over to my director.

**Mr FLEMING:** Do you mean managed by State Forests not national parks?

**The CHAIR:** Yes.

**Mr FLEMING:** I do not have that.

**The CHAIR:** If I could tell you, because the koala inquiry had Forestry Corporation attend a hearing a couple of weeks ago and was asked this question and he said that half the coastal forests of the State were burnt, which is about 670,000 hectares of burnt forests. He said on the North Coast it is much worse. The further north and west you go the more coverage the fires had in those areas—something in the order of 60 per cent of those forests had been burnt. Are you aware of the amount of private land that was burnt this season as well? Has that analysis come before you yet?

**Mr MATT KEAN:** I have not seen a final figure but the majority of the land burnt, I would imagine, would be private land, given less than half was national park estate. I will hand over to my director.

**Ms MACKEY:** Minister, I can answer that. Around 4 per cent of freehold land has been impacted by the fires.

**The CHAIR:** What about land managed for private conservation?

**Ms MACKEY:** I might ask Mr Elton, who manages the conservation arrangements.

**Mr ELTON:** It is approximately 51,000 hectares out of a total estate of 2.1 million hectares of land under private land conservation agreements.

**The CHAIR:** I think you told the Committee the other day that is 80 per cent of the conservation areas. Is that correct?

**Mr ELTON :** No, it is 51,000 hectares out of 2.1 million hectares.

**The CHAIR:** So out of 2,000 landholders, 260. Does the State have an understanding of what all of that means in terms of habitat loss?

**Mr MATT KEAN:** It has been absolutely devastating. We have lost huge swathes of our natural environment that has had a huge impact on our native animals, on our flora and fauna. Not only have these bushfires impacted people and property but they have had a devastating effect on our environments.

**The CHAIR:** Do you know the overall extent? For example, recently Forestry told us that 60 per cent of all of its forests up north have been burnt. You have said that 37 per cent of the entire national park estate has been burnt. Do you know how much habitat is left for threatened species such as the koala? How much more needs to be protected, given how much has been lost? Who is doing that analysis?

**Mr MATT KEAN:** The department is doing that analysis. At this stage we have identified that about one-quarter of our koala habitat has been scorched but I am happy to hand over to my coordinator-general.

**The CHAIR:** Is that across the entire State, regardless of land tenure?

**Ms MACKEY:** Yes, that is. In terms of the work that we are doing, we are still very much in the piece around what is the impact of the fires. We did the initial work around the severity of the fires to overlay it with where refuge areas for animals were, and that was released as part of the immediate response plan. We have now done further work to find out what is actually happening in all of the areas of the State that have been impacted. As you would understand, that is taking some time to get that right and make sure that we have all the information that we need and it is informing a medium-term plan, as the Minister alluded to earlier. That medium-term plan is underway. We have engaged not only with our scientists across the portfolio but also with a range of experts. If I can ask Ms Hawyes to talk you through—

**The CHAIR:** Just a quick question. I think I know about the medium-term plan and I might come back to it later today. Have there been any discussions within the Government about reassessing existing laws which allow the clearing of koala habitat post these awful fires?

**Mr MATT KEAN:** We are currently developing our medium- and long-term responses with regard to the fires. Obviously protecting koala habitat has to be a key part of those discussions. That work is ongoing and I am happy to come back to you once the work is finalised.

**The CHAIR:** At the moment, for example, there are existing applications before the Independent Planning Commission, logging is taking place and there are existing applications for mines and developments that will clear koala habitat. You know that 25 per cent of koala habitat has been cleared. We have heard from local experts that potentially 85 per cent of koalas have been killed in their local area from the fires. For example, Port Macquarie has said that; North Coast has said that. You have stated this, as has the Federal environment Minister, that you want to do everything within your power to ensure koalas do not become extinct. With all of those statistics, and having heard how much of our forests have been burnt in these fires, how can you sit here as an environment Minister and continue to allow the clearing of koala habit and say you are doing everything you can to stop koalas becoming extinct?

**Mr MATT KEAN:** I obviously want to do everything we can to protect our koalas. Only recently the updated State environmental planning policy 34 was finalised. The reality is that there are ways to protect koala habitat and that is through the koala plans of management. Unfortunately, there are only five councils that have created koala plans of management and there is a huge number that have not including, for example, Shoalhaven City Council with a Greens mayor and Blue Mountains City Council with a Labor mayor. I am not trying to apportion blame here, I am just saying that more needs to be done at the State and Federal levels if we are going to be serious about protecting core koala habitat, which is the key to ensuring survival of our koalas.

**The CHAIR:** What about logging native forests, Minister?

**Mr MATT KEAN:** Koalas do not look at tenure; they travel across boundaries. So, yes, there is a body of work that we are currently undertaking to look at what we can do to protect all our native species that have been harmed through these fires, including the koalas. I am very happy to come back to you once that work is complete.

**The CHAIR:** Okay, we will come back to that.

**The Hon. MARK PEARSON:** Thank you all very much for attending. Minister, will you confirm that the primary responsibility of the department is to conserve kangaroo populations—we now moving to kangaroos; the ghost animals—not to facilitate the economic viability of the commercial kangaroo-harvesting industry?

**Mr MATT KEAN:** I will hand that to the coordinator-general, who is responsible for the department. But obviously we care about our native animals, including our kangaroos.

**The Hon. MARK PEARSON:** The question is would you confirm your primary responsibility is to protect kangaroos, a native animal, as opposed to protecting any commercial interests in using them for farming?

**Mr MATT KEAN:** Yes, I can confirm that, absolutely.

**Ms MACKEY:** Under the Biodiversity Conservation Act there is a responsibility to ensure that harm does not come to kangaroos unless it is part of a commercial harvesting arrangement. Then there are different arrangements that cover that harvest arrangement. We can provide you quite a bit of detail around that if that is where you would like to go.

**The Hon. MARK PEARSON:** We probably will go there to an extent. In reply to a letter I wrote to you, Minister, about this issue in terms of commercial harm to kangaroos, you said:

I have been advised that a significant proportion of New South Wales fire activity has been in the zone between the coast and the tablelands where no quota is allocated to commercial harvesting.

Minister, should we not apply the precautionary principle and halt all commercial killing of these animals while we do not really know what has happened? As you know, kangaroos do not hang around commercial zones—they move. They will have moved through all of those areas and no doubt been seriously affected by the fires. We have not really measured that yet. If your role is to protect these animals, not look after commercial interests, surely a precautionary principle would be to halt all commercial killing, do you not think?

**Mr MATT KEAN:** Mr Pearson, as I said in the letter to you, the fires mostly impacted areas outside the commercial harvesting zones. The impact of the bushfires will be taken into consideration when issuing non-commercial licences. But, again, that process will be done by the department, taking into account the best scientific advice that we have.

**The Hon. MARK PEARSON:** To that point, Minister, we do not have that scientific report yet. We do not have the analysis of the harm to this species let alone other species. My question again is, while we do not know, while it is still a mystery—we cannot even count the kangaroos properly when we are flying over and counting them for the commercial industry—the figures are so broad, we have never really known how many there are, so if we do not really know what the impact is, surely, again, would your concern for protecting these animals not go to a precautionary principle, saying "no more harm" until we really get the right assessment as to what has happened?

**Mr MATT KEAN:** Mr Pearson, the department will continue to monitor the impact of the fires on our kangaroo populations. That will obviously determine any decisions we make and the mitigations that we will put in place as required to protect our kangaroo populations. I am very happy to hand it over to my coordinator general to provide more information. But, yes, we will continue to monitor the impact of those bushfires on our kangaroo populations when making decisions around the commercial operations of them.

**The Hon. MARK PEARSON:** While we continue to harm them? Let me just move to the other aspect. Not two years or three years ago the environment Minister, together with the Minister responsible for primary industries, removed the requirement in the regulations for landholders that, if they wanted to harm kangaroos, that it was the case that they would have to apply for a licence and drop tag. So if they wanted to kill 150, they had to get 150 drop tags if they were not going into the commercial industry. That was quashed and now a landholder can just pick up the phone or send an email saying, "I need to kill 300 kangaroos." There is no drop tag requirement and therefore there is very little monitoring requirement. Considering what I have just explained and the precautionary principle, would the Minister be willing to lift this regulation overturn? Then at least landowners will have to prove and then get the drop tags so that we can properly monitor what is happening to these animals. At the moment we cannot.

**Mr MATT KEAN:** Mr Pearson, I do not think you are giving the Committee the full picture. My understanding is that in January 2019 the maximum limits for culling per property were reduced by approximately 50 per cent. I am very happy to have a look at the issue you raised, but perhaps I could hand over to Sharon Molloy, who is responsible for this area of government policy.

**Ms MOLLOY:** I can talk about the commercial kangaroo management program that we have. It is important to note that the management of kangaroos in New South Wales, as you know, tries to balance the needs of looking after the kangaroos with needs of industry and also land managers. You will be well aware of that. We undertake annual population surveys. The industry is quite mature in New South Wales compared to other jurisdictions.

**The Hon. MARK PEARSON:** Sorry, can I just take you back to that first statement? You were saying that the ministry has to take into account the commercial need of kangaroos. That is not really the case, is it?

**Ms MOLLOY:** It balances looking after the kangaroo population—so if you let me continue with what we do to manage that situation—with the needs of industry and land managers. We have been gathering population estimates of kangaroos since the 1970s in New South Wales, so we have a pretty good estimate or handle on the population of kangaroos. We undertake surveys annually.

**The Hon. MARK PEARSON:** Sorry to interrupt, but that so-called assessment of the number of kangaroos is seriously in question by many scientists, is it not? The methodology used and the correctional factor has now come into serious question as to whether it really is a proper assessment of the numbers of kangaroos. Are you aware of that doubt?

**Ms MOLLOY:** I am not aware of that doubt and we work very closely with our Department of Primary Industries colleagues to monitor the population. It is monitored annually in the western zones and also every three years on the coastal zones. Because of the drought and the fires we are intending to do that survey this year again for some of the more mountainous areas that were affected by the fire. It is important to remember that the commercial quotas are only 15 per cent of the population. All of this information is published on our website. It is published annually and as part of our reporting requirements to the Commonwealth. So all of this information is on our website. We are guided by our NSW Commercial Kangaroo Harvest Management Plan 2017-21, which, again, has been endorsed by the Commonwealth as per our requirements, and an annual quota report is put up on the website. In managing the situation some of the zones out west have been suspended because of the drought. In terms of managing the kangaroo population, we are not just looking at the fire, we have an ongoing role of looking at kangaroo populations in terms of how they are dealt with in the drought.

**The Hon. MARK PEARSON:** Mr Kean, you responded to a request from me in relation to moist food drops for animals that are in very remote areas. I appreciate the fact that you initiated that and that it occurred. I am just wondering if it is being monitored to see whether the animals are actually taking the food? It might be quite difficult because of the remote areas. The reason I ask that question is that people working in the wildlife protection area have actually been putting out quite a few food drops and water in areas, but the sad story is that they have not seen any of it, or very little of it, actually eaten or consumed, which is a measure of the level of harm that is out there in the bush. A lot of animals just have not survived. I am just wondering if there has been a monitoring of rock wallabies or something, as to those animals, and whether the food has actually been taken?

**Mr MATT KEAN:** Mr Pearson, I will hand over to Dr Fleming in a moment, but what I will say is that, for the native animals that did survive these bushfires, the challenge now is that they do not have any food supplies available. That is why we stepped in to support their recovery efforts with artificial food drops. I am happy to hand over to Dr Fleming.

**Mr FLEMING:** The short answer is that there is some monitoring, in particular camera traps. That is giving us evidence that the food is being taken by target species, such as the rock wallabies in particular, but also other species. So we do have evidence that it is working.

**The Hon. MARK PEARSON:** Can you just elaborate which other species, do you know?

**Mr FLEMING:** I think some of the possums. For example, the mountain pygmy possums in Kosciusko. We are know they are taking the food, the bogong biscuits, that are being put out for them. I think there are antechinus possums, lyrebirds, and there are a whole range of species that have actually—

**The Hon. MARK PEARSON:** So there is evidence that they are actually accessing the drop food. Thank you very much.

**The Hon. PENNY SHARPE:** First of all I just wanted to say a nice thing and basically thank the NSW National Parks and Wildlife Service for its efforts over what was a very, very difficult summer. I particularly congratulate them on saving Wollemi Pine. Many of us were very worried and the fact that they survived is a testament I am sure to an incredible amount of work. I just wanted to particularly put that on record. Minister, there was an AdaptNSW forum on 12 November 2019 to talk about climate change hosted by your agency. Are you aware of the AdaptNSW forum?

**Mr MATT KEAN:** Yes, I think I spoke there.

**The Hon. PENNY SHARPE:** Very good. Minister, you clearly did not speak about the link between bushfires and climate change at that event. There was a directive given to the staff who attended that that they were not to do that too. Are you aware of that?

**Mr MATT KEAN:** I read about it in the newspaper and I was shocked to learn that. That is not my position. That is not the Government's position. Our position is that we need to take decisive and responsible action to deal with the issue of climate change. I made it very clear, I think to the frustration of some people around the place, that you cannot deny the link between climate change and these bushfires.

**The Hon. PENNY SHARPE:** That is terrific but you did not give your public servants the same ability to make that link at their own forum.

**Mr MATT KEAN:** Firstly, I will let my secretary answer that question as to how that came about but that is not my position as the Minister, that is not the Government's position and where that came from within the agency was unknown to me.

**The Hon. PENNY SHARPE:** And you can rule out that there was no-one in your office or any other ministerial office that spoke to people in the department around providing some sort of directive, whether it be formal or informal, regarding this matter?

**Mr MATT KEAN:** Categorically. I will hand over to the secretary.

**Mr BETTS:** That is correct. I am backing what the Minister just said and confirming it. So that was a stuff-up by a relatively junior comms officer who jumped the gun and put out incorrect advisory which is repudiated—

**The Hon. PENNY SHARPE:** The advisory was off the back of, as I understand it, a very experienced communications person, whether they are in the department or in the ministerial office about—

**Mr BETTS:** I am not making a judgement on the—

**The Hon. PENNY SHARPE:** Well, I am going to read the text:

Just checking that no-one is saying anything about climate change in relation to current fire situation at conference. Obviously a sensitive issue for Government. Many thanks.

I think throwing the poor person who was at the conference, if they get a text like that, what are they supposed to do with that?

**Mr BETTS:** I am not blaming the people at the conference. I am saying that the person who issued the advisory was not acting on authority from me or the Minister. That was a mistake that they made and they have been counselled. I am not saying that they are a bad person or that they are an incapable comms person. But it does not reflect—

**The Hon. PENNY SHARPE:** What about the person who sent the text?

**Mr BETTS:** That is the person I am talking about.

**The Hon. PENNY SHARPE:** You are not talking about the person who sent the email.

**Mr BETTS:** No, I am talking about the issuing of that was a mistake and does not reflect government policy but it is a mistake on the department, for which I take accountability, and absolutely no responsibility for that lies with the Minister.

**Mr MATT KEAN:** Can I just jump in for a second. I spoke at that conference and I made it very clear that this Government is committed to tackling the issue of climate change. Not only did I not cover up anything with regard to climate change; I went out there and extolled exactly the virtues—

**The Hon. PENNY SHARPE:** I am not really asking about you, Minister. I am asking about the tensions in the Government and the fact that you have got public servants concerned—

**Mr MATT KEAN:** —of why we need to take action on climate change not only for our environment but also for our economy, Ms Sharpe.

**The Hon. PENNY SHARPE:** What I am concerned about—you have been very vocal about the issues of climate change and that is something people welcome, to hear your side of politics talk about this. Given the different views within the Government on these matters, is it concerning that even your best-intentioned public



servants are sending these kinds of messages because they are worried about the political impact because of the continual bickering between yourself and other Ministers in this Government.

**Mr MATT KEAN:** They should not have that fear at all.

**The Hon. PENNY SHARPE:** Well, they clearly do.

**Mr MATT KEAN:** The Government has a very clear policy when it comes to climate change. That is why we take decisive and responsible action to tackle it.

**The Hon. PENNY SHARPE:** That exact chain of events shows that there is concern within the public service because of the mixed messages that they get from government in relation to climate change.

**Mr MATT KEAN:** That concern is unfounded, Ms Sharpe. We have a very clear policy. In fact, I have negotiated the biggest deal in the State's history to reduce our carbon emissions: a \$3 billion deal to ensure New South Wales leads the way when it comes to—

**The Hon. PENNY SHARPE:** That is great, Minister. That is good. If you want to tell us about that, I have lots of questions to ask you, you can get your Government members—

**Mr MATT KEAN:** I am very happy to finish my answer.

**The CHAIR:** Order! One at a time, please.

**The Hon. PENNY SHARPE:** —to ask that question if you want to provide that to the Committee. We are very aware of that.

**The Hon. BEN FRANKLIN:** It is good news, though, isn't it?

**Mr MATT KEAN:** It is just because you do not like good news, Ms Sharpe. That is what you do not like: good news.

**The Hon. PENNY SHARPE:** Well, no—if you want to tell us good news, you can get your members to ask questions.

**Mr MATT KEAN:** You do not like the fact that I have stolen your mantle when it comes to tackling climate change—

**The Hon. PENNY SHARPE:** Do not take up my time with your Dixers.

**Mr MATT KEAN:** —and in a way that will create jobs and grow our economy, Ms Sharpe. I am not going to apologise for that, Ms Sharpe.

**The Hon. SHAYNE MALLARD:** Point of order—

**The Hon. PENNY SHARPE:** How about you let me ask him questions?

**The CHAIR:** Are you calling your Minister to order for continuing to talk over questions?

**The Hon. SHAYNE MALLARD:** The Hon. Penny Sharpe, in fact, talking over the Minister.

**The Hon. BEN FRANKLIN:** I think there might have been a bit of blame both ways, frankly.

**The CHAIR:** Again, at some point, yes, the Minister does need to stop talking to hear the question.

**The Hon. PENNY SHARPE:** He also needs to not answer the questions he wants to be asked, rather than the ones he is asked.

**The CHAIR:** I would also ask the members to please ensure that the Minister and witnesses are also able to respond to a question without talking over them. I think there is a little bit of adult, professional behaviour that we could engage in. If we can both talk a little bit and listen to the other person, that would be great.

**The Hon. BEN FRANKLIN:** Everyone is so enthusiastic.

**Mr MATT KEAN:** I am just passionate about climate change.

**The Hon. PENNY SHARPE:** Thank you. That is great. If you could convince your colleagues we would be even happier. Minister, the Deputy Premier and—

**Ms HAWYES:** I attended the conference.

**The Hon. PENNY SHARPE:** That is okay. I am going to ask you about this this afternoon so we will move on.

**Ms HAWYES:** Okay.

**The Hon. PENNY SHARPE:** Just in case you thought you were over with that, everyone. Do not worry. There is plenty of time. Minister, the Deputy Premier and other government MPs have repeatedly blamed the National Parks and Wildlife Service [NPWS] staff for the recent bushfires and the lack of hazard reduction burning in previous times. The Deputy Premier has even accused the National Parks and Wildlife Service of having an ideological opposition to hazard reduction. Do you believe that to be the case?

**Mr MATT KEAN:** I believe the National Parks and Wildlife Service has done an incredible job throughout this bushfire season.

**The Hon. PENNY SHARPE:** I agree.

**Mr MATT KEAN:** Let's get the facts on the table.

**The Hon. PENNY SHARPE:** The issue is about hazard reduction. Do you believe there is an ideological problem within the National Parks and Wildlife Service when it comes to hazard reduction?

**Mr MATT KEAN:** No, I do not and the facts speak for themselves. The National Parks and Wildlife Service manage 9 per cent of this State and was responsible for over 75 per cent of all hazard reduction burning undertaken.

**The Hon. PENNY SHARPE:** So, Minister, why is it your colleagues, including the Deputy Premier, the transport Minister and others—continually that is their go-to when it comes to dealing with the fire issue—arc basically actively attacking the National Parks and Wildlife Service?

**The Hon. BEN FRANKLIN:** Point of order—

**Mr MATT KEAN:** As much as I would like to be, I am not the Deputy Premier. That is a question you will have to direct to him.

**The CHAIR:** Order! Another point of order has been taken from Mr Franklin. What is it this time?

**The Hon. BEN FRANKLIN:** It was the same one. It is merely that the Minister was trying to answer the question and the—

**The Hon. ADAM SEARLE:** I think the Minister is handling himself.

**The CHAIR:** But at that time the Minister had—

**The Hon. BEN FRANKLIN:** I know he had moved on after I said the words "point of order".

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

**Mr MATT KEAN:** Ms Sharpe, can I just put on the record some facts about the National Parks and Wildlife Service and what it did?

**The Hon. PENNY SHARPE:** Before you do that, I accept that the National Parks and Wildlife Service did a very good job. I accept there are challenges around hazard reduction. I am trying to get to the bottom of where this continual myth, perpetuated by many of your colleagues, is, whether there is some sort of ideological opposition to hazard reduction in national parks. Is there or not and can you explain what the position is? I do not need you to take—

**Mr MATT KEAN:** No, I do not believe there is. According to the RFS there were 6,000 complaints around land management last year in terms of the amount of hazard reduction that was done. My understanding is in fact over the last five years—and I will get someone to jump in with the exact numbers—less than 2 per cent of all complaints related to land management on national parks. The majority of complaints it is found related to land management on private land. So I think there is an issue that people see bush and they automatically think it is national parks. The National Parks and Wildlife Service staff are outstanding custodians of their estate. They do incredible work. They spent over 40,000 man days fighting these bushfires—

**The Hon. PENNY SHARPE:** People days. Yes.

**Mr MATT KEAN:** —not just to protect the environmental assets but to protect people and property. They are doing an incredible job and I commend them for it.

**The Hon. PENNY SHARPE:** That is terrific. I am glad to hear you finally defending them because my question is, as you know—

**Mr MATT KEAN:** Ms Sharpe, I have been defending them throughout this bushfire season from attacks from all elements of the community, from politicians and I will continue to do that.

**The Hon. PENNY SHARPE:** I am really talking about the attacks from your own colleagues.

**Mr MATT KEAN:** I have not backed away from defending national parks throughout this bushfire season.

**The Hon. PENNY SHARPE:** Minister, how many jobs were deleted under the future National Parks and Wildlife Service changes?

**Mr MATT KEAN:** The future National Parks and Wildlife Service changes was before my time as the Minister. It was completed before I became the environment Minister.

**The Hon. PENNY SHARPE:** Yes. That was not my question. My question was how many? Surely you know. You may not have been the Minister but how many jobs were deleted?

**Mr MATT KEAN:** Ms Sharpe, that was a program that was completed before I became the Minister so it is not something that I have had to consider.

**The Hon. PENNY SHARPE:** Maybe Mr Betts can tell me. If you cannot tell me, that is fine. I am happy to ask. I want to know how many jobs went under the future NPWS. The fact that you are the Minister now or were not then is actually irrelevant to the question.

**Ms MACKEY:** Ms Sharpe, what we have is that the number of staff in national parks overall has increased.

**The Hon. PENNY SHARPE:** That is not my question.

**Ms MACKEY:** If I could just go through with the arrangements, in terms of future parks there was a reallocation of staff around in terms of different positions but overall—

**The Hon. PENNY SHARPE:** How many staff were reallocated?

**Ms MACKEY:** I will have to take that on notice. That reallocation has meant that we have had an increase in staff in parks since that time.

**ANSWER:**

I am advised that the Future NPWS restructure replaced the previous organisational structure of the NPWS with a new structure. This included reallocating functions, including the creation of new roles that did not exist in the previous structure. A like-for-like comparison of roles is therefore not possible.

Of the employees in scope for the restructure, 516 transitioned directly to roles in the new structure that were the same or substantially the same as their previous role. 683 were assigned to new roles via a merit selection process. This does not include new staff who were recruited into the agency via an external selection process.

**The Hon. PENNY SHARPE:** So you do not agree that there were 24 senior rangers lost under the changes?

**Ms MACKEY:** There was certainly, as I said, a reallocation of positions across the parks arrangements. Rangers are—

**The Hon. PENNY SHARPE:** I am happy for you to provide it on notice but I would like you to confirm the numbers of senior rangers that were deleted/sacked/made voluntarily redundant—however you want to use the terminology—under the changes.

**Ms MACKEY:** It will be difficult for us to extrapolate, given the large number of staff that parks has. During the period of time when there were rearrangements happening there was also usual churn in staff. We can provide that on notice but there will be a number of figures that sit in there.

**The Hon. PENNY SHARPE:** While you are doing that, and I am happy for you to take this on notice, I want to know about 61 district managers, 20 scientists, 31 senior field officers, three senior engineers and 48 project and research officers. If you can clarify the status of those, that would be very useful.

**Ms MACKEY:** If I could take some detail from you on at what point in time.

**The Hon. PENNY SHARPE:** Under the future National Parks and Wildlife Service changes. When that was introduced, what was the flow-on from that? I understand that since then you have had a complete change in government and there is a lot of movement. Specifically I want to get the figures of what occurred in 2017 under that.

**Ms MACKEY:** It was proposed, so we can provide figures around what was proposed and then we can provide figures around the staffing at the time.

**ANSWER:**

I am advised of the following:

The total staffing level in NPWS has increased from 1511 full time equivalent (FTE) in July 2017 to 1672 FTE as at 20 March 2020. (These figures do not include board members, casuals and contractors.)

The senior ranger role was phased out as part of the 2017-18 restructure. The functions of this role have been reallocated to other roles, including the newer Team Leader Ranger role. 4.6 FTE employees in senior ranger roles accepted a voluntary redundancy during the restructure and one employee resigned. As at 20 March 2020, 2 FTE employees remain in senior ranger roles on “grandfathering” arrangements and the remaining senior rangers were either in roles converted to the clerk award or are now employed in other roles within the organisation.

The district manager classification is not part of the current NPWS structure. Area manager roles, which came under this classification previously, have been migrated across to the clerk award. The number of area manager roles was reduced from 50 to 37 in 2017 as administrative boundaries were consolidated to reduce duplication and benefit from economies of scale. 13 area managers accepted a voluntary redundancy. However, new field-based supervisory roles were created to support area managers with the delivery of services.

A large number of NPWS employees have tertiary science qualifications and undertake scientific work as part of their duties. However, scientist is not a role title or classification in either the previous or current structure, and a like-for-like comparison is not possible. Scientific services are principally provided to NPWS by the Department’s Science Division.

The number of senior field officers decreased from 151.1 FTE in July 2017 to 129.4 FTE as at 20 March 2020. 18 Senior Field Officers accepted a voluntary redundancy as part of the restructure. However, while staffing levels in some field-based roles decreased under the 2017-18 restructure, others rose. Notably, a new supervisory classification was introduced at the top of the field officer structure (Senior Field Supervisor 3) which supports the delivery of field-based work. The number of employees in Senior Field Supervisor 3 roles as at 20 March 2020 is 38 FTE (previously zero). Overall, the number of Field Officers within NPWS has increased from 650 in July 2017 to 697 as at 20 March 2020.

There was one role with the title of senior engineer prior to the restructure in July 2017. As at 20 March 2020, there is no-one employed within NPWS in a senior engineer role.

The project/research officer classification was phased out in the 2017-18 restructure and migrated across to the clerk award. The only roles that remain in the structure under this classification relate to specific projects with associated program funding. As this classification is phased out, the number of people employed under this classification has decreased from 49 FTE to 3.4 FTE (as at 20 March 2020).

**The Hon. PENNY SHARPE:** Minister, do you believe that the cuts to staff—there has been a lot of discussion about this—have impacted on their ability to do hazard reduction burning? I do not mean just burning, I mean hazard reduction activities generally across national parks over the last couple years?

**Mr MATT KEAN:** I reject the premise of the question. The reality is that there are more trained firefighters available in the National Parks and Wildlife Service than there were when we came into Government.

**The Hon. PENNY SHARPE:** I am not just talking about firefighting. Hazard reduction, you would agree, is far more than just burning things.

**Mr MATT KEAN:** There are more staff in the National Parks And Wildlife Service, more full-time equivalents, than there were when we came to Government. If you are asking whether or not more resources have led to less hazard reduction then my answer is no, I do not believe that is the case.

**The Hon. PENNY SHARPE:** Minister, across the cluster is it correct that you have to find \$81.4 million before the end of July this year in savings?

**Mr MATT KEAN:** I will refer that to the Secretary.

**Mr BETTS:** That is correct.

**The Hon. PENNY SHARPE:** That is across the entire cluster?

**Mr BETTS:** Correct.

**The Hon. PENNY SHARPE:** In relation to the National Parks and Wildlife Service itself, are you able to give us the figure of how much money the National Parks and Wildlife Service will have to find within the agency?

**Mr BETTS:** We can take that on notice.

**ANSWER:**

I am advised that the financial outcome for NPWS in 2019/20 will be influenced significantly by expenditure associated with the bushfires (suppression and recovery) and the response to the coronavirus pandemic. The Department of Planning, Industry and Environment efficiency dividend will not impair or constrain NPWS operations.

**The Hon. PENNY SHARPE:** Are you telling me that you do not know?

**Mr BETTS:** I am telling you that I have not memorised all of the details.

**The Hon. PENNY SHARPE:** Does Mr Fleming know?

**Mr MATT KEAN:** Can I just jump in? We are still working on a process. It is a matter for Government as to what the priorities are. We will determine the right resources to match the Government's priorities. I have made it very clear that our National Parks and Wildlife Service is a priority for this Government.

**The Hon. PENNY SHARPE:** Given that national parks have been decimated in the past four months, that is what I am really asking you.

**Mr MATT KEAN:** Decimated because of bushfires, I hope you are saying.

**The Hon. PENNY SHARPE:** Yes, that is what I am saying. Is the National Parks and Wildlife Service going to be immune from the savings that you have to find before July 2020? And similarly can you guarantee there will be no further cuts made within the National Parks budget given the recovery job that has to occur?

**Mr MATT KEAN:** What we have got is a huge recovery job ahead of us.

**The Hon. PENNY SHARPE:** Yes, are you going to give them the money they need?

**Mr MATT KEAN:** I have already flagged that we will be making appropriate bids to ensure that the National Parks can facilitate a great recovery. That means replacing the capital infrastructure that has been lost, that means facilitating our environmental assets recovering. We have got a big job ahead of us. I am not—

**The Hon. PENNY SHARPE:** Are you going to give them the money that they need to do it?

**Mr MATT KEAN:** That is the process we are working through at the moment.

**The Hon. PENNY SHARPE:** The one thing you can do is quarantine them from any efficiency savings within the budget. Are you able to do that? The \$81.4 million, is the National Parks and Wildlife Service going to be immune from that?

**Mr BETTS:** I have no doubt you are in possession of the internal bulletins which have been put around about how we are achieving the \$81.4 million saving and that we are achieving them primarily—and this is across the whole of the cluster—by reducing expenditure on consultants and other largely discretionary items. We stand by the Premier's guarantee not to cut regional jobs and not to cut frontline jobs. On that basis I will hand over to Ms Mackey to give you a little bit more detail.

**Ms MACKEY:** In terms of the savings that needed to be found in the cluster, there was an allocation to Environment, Energy and Science, which Parks was a part of, and collectively across the group.

**The Hon. PENNY SHARPE:** So Parks is not immune. Parks is still going to have to find savings despite the past six months. I am happy to go into detail with you this afternoon but I have other questions.

**Ms MACKEY:** I was not going to go into detail. I was going to say—

**Mr MATT KEAN:** I will tell you what I will guarantee you: No firefighters will be cut in National Parks. That is what I will guarantee.

**Ms MACKEY:** We already had plans in place well before the fires in terms of how we would achieve the savings and they did not involve—

**The Hon. PENNY SHARPE:** It is very easy for you to say "no firefighters" because they would already be immune because they are rural and regional.

**Mr MATT KEAN:** That is not true.

**The Hon. BEN FRANKLIN:** Point of order: Ms Mackey was in the middle of a sentence.

**The Hon. PENNY SHARPE:** The Minister interrupted; it was not me.

**The Hon. BEN FRANKLIN:** I understand. It actually was him, Ms Sharpe.

**The CHAIR:** I remind members to try to hear part, a sentence or two, of witnesses' responses.

**The Hon. PENNY SHARPE:** I apologise Ms Mackey but it was not me at the time.

**Mr MATT KEAN:** I am sorry, Ms Mackey.

**Ms MACKEY:** I can confirm we are on track. We have met the savings for this financial year. In terms of any cuts to Parks, there are no cuts to Parks in this financial year.

**The Hon. PENNY SHARPE:** We will come back to that this afternoon, Ms Mackey, I am sure. Will you be able to provide us with detail of what savings measures have been found in relation to National Parks? You can take it on notice if you want to. Obviously I want the figure but I am very interested in how you found that given it has not been immune.

**Mr BETTS:** We will provide you with the best information we can. It tends to be aggregated at the level of Environment, Energy and Science rather than National Parks—in other words, Tracy's grouping as the Coordinator-General—but happy to provide you with the best information we can.

**The Hon. PENNY SHARPE:** That would be very good. How many vacancies are there currently in the National Parks and Wildlife Service central office?

**Mr MATT KEAN:** I am very happy to hand it over to the director of National Parks and Wildlife Service.

**Mr FLEMING:** I would have to take on notice how many vacancies there are in the central office.

**ANSWER:**

I am advised that the key priority for Department of Planning, Industry and Environment in achieving its savings targets has been to minimise the impact on staffing costs. As a result, more than half of the \$80.5 million target has been met by reducing operating costs across the cluster. While there will be a reduction in Labour Expense Cap (LEC) in some divisions within the Department, a decision has been made that staffing reductions in NPWS will not be required to contribute toward the savings target.

The NPWS vacancy rate as at 27 February 2020 is currently 1.3 per cent of budget funded positions. However, this is only an approximate figure as the number of roles funded through capital expenses may change.

**The Hon. PENNY SHARPE:** I am interested in vacancies altogether but given the rubbery definition around "frontline" and then the issue around "rural and regional", my interest obviously is the pool of staff that you have got to find the savings for is very small. It tends to be central or whether it is Newcastle or Wollongong areas. I am interested in how many vacancies there are. You can say you have got this many positions but if they are not filled that is how you are making your savings. I understand that is how a lot of it is occurring. My concern is that staff that do a lot of the coordination work for recovery are often centrally located because your people on the ground are too busy doing the on-the-ground work, that they do not have the support they need to assist in the recovery process. That is where I am getting to in my questions.

**Ms MACKEY:** We have actually put additional staff in to support the recovery process.

**The Hon. PENNY SHARPE:** If you could provide how many those are, where they have come from and how long they are there, that would be very useful. This afternoon we can have a longer discussion about that, if you would like.

**Ms MACKEY:** I can certainly do that.

**ANSWER:**

I am advised the Department of Planning, Industry and Environment - Environment, Energy and Science Group (EES) established a dedicated Bushfire Recovery Taskforce on 28 January 2020 to co-ordinate all EES's bushfire recovery efforts. The Taskforce comprises 13 existing EES staff who have been taken temporarily offline from their normal duties to work exclusively for the Taskforce. It is anticipated these staff will continue in these roles to 30 June 2020.

The Taskforce is responsible for:

- Coordinating bushfire recovery across the EES business
- Being a single point of contact on EES related bushfire recovery matters for internal staff, staff from other agencies and external stakeholders
- Monitoring and reporting progress of EES's bushfire recovery efforts
- Co-ordinating budget submissions to NSW Treasury and the Commonwealth to fund bushfire recovery efforts.

The Taskforce is working with experts from across EES to finalise plans for eight workstreams:

- Park-specific recovery
- Conservation recovery
- Waste management
- Energy
- Air Quality
- Water Quality
- Forest and land clearing
- Environmental planning & climate change

In addition to the central Taskforce, all EES directorates have re-prioritised staff resources towards bushfire recovery. These staff are focussed on on-ground recovery efforts. For example, the National Parks and Wildlife Service has:

- Created an additional Executive Director role for NPWS for up to six months. This role is, among other things, dedicated to supporting the central coordination of activities related to bushfire recovery in NPWS. An Executive Director from the EES Strategy, Delivery and Insights Division has been redeployed to perform this role and is aided by four additional project and support staff.

- Established an additional NPWS Director role with four specialist reports covering the prioritisation and coordination of on-ground conservation work including pest and weed management.

**The Hon. PENNY SHARPE:** Minister, you would be aware of the koala inquiry and that 24 per cent on the eastern side has been burnt out and up to some estimations of around 80 per cent of koalas were killed during the fires. Where is your assessment up to on the koala population specifically?

**Mr MATT KEAN:** That work is ongoing.

**The Hon. PENNY SHARPE:** When do you think it will be done?

**Mr MATT KEAN:** I can hand over to Sharon Molloy or to Mel Hawyes to give an update but as you know it is very hard to quantify the number of koalas. Estimates vary around. It is understood that before the fires there were around 36,000 koalas in New South Wales.

**The Hon. PENNY SHARPE:** Some say it could be as low as 20,000.

**Mr MATT KEAN:** But there are different views about how many koalas there are. I think it is fair to say that if you have lost one quarter of the koala habitat you would have an analogous impact on the koala population. I have asked for that body of work to be done and I will hand over to Mel to give further details.

**Ms HAWYES:** I am sure we will discuss it later in the afternoon but in the science portfolio a lot of focus has gone on mapping of not only the extent but the severity of the burns to understand the extent in terms of full canopy burn. We have also convened the expert panel that exists to support the koala strategy and are working with them to do a contemporary estimate of numbers and mortalities using a method that is robust and can be peer reviewed.

**The Hon. PENNY SHARPE:** Who agrees that the method is robust? The koala inquiry has had a lot of evidence and argument around method. Who is going to decide the method?

**Ms HAWYES:** They are conservation scientists and we will be working with them—

**The Hon. PENNY SHARPE:** No, the point that I am making is that your scientists say one thing and this scientists in Forestry say quite the other. I want to know how that is going to be resolved.

**Mr MATT KEAN:** Let us get independent scientists and make decisions based on the independent science.

**The Hon. PENNY SHARPE:** That would be very welcome, Minister.

**Ms HAWYES:** The aim is to have the answer within a matter of weeks.

**Mr JUSTIN FIELD:** I would like to ask about the Liddell Taskforce, which I know some of your officials are part of. The key rationale for the task force was the future of the Liddell Power Station and its impact on affordability and reliability of New South Wales electricity supply. I know it followed concerns raised by the Australian Energy Market Operator [AEMO] as well. I assume the task force has been consulting with AEMO and other market bodies in conducting its work?

**Mr MATT KEAN:** Yes, that is correct.

**Mr JUSTIN FIELD:** Has consultation with AEMO or other market bodies been in writing to the task force?

**Mr MATT KEAN:** I understand that AEMO has briefed the task force on a number of issues related to reliability.

**Mr JUSTIN FIELD:** Could you make that advice to the task force available to this Committee on notice?

**Mr MATT KEAN:** Look, the New South Wales Government is participating in the Liddell Taskforce. We are obviously interested in seeing the impact that the proposed closure of Liddell might have on the network and indeed household bills, reliability of the system, safety of workers—a whole range of issues. That task force has yet to complete its work. When the body does do its work, I am sure it will be released publicly.

**Mr JUSTIN FIELD:** That is expert independent advice on a pretty significant public policy issue. There would be no reason why that could not be provided on notice to this Committee or made public now?



**Mr MATT KEAN:** I am sure that once the work of the task force is done, that could be provided.

**Mr JUSTIN FIELD:** The task force was due to report in December last year. When will it be finalised?

**Mr MATT KEAN:** I would expect that task force to finalise their work very soon. I do not have an exact time frame at this moment but independent reports that were provided to the task force, that is a matter for the task force as to whether they release them.

**Mr JUSTIN FIELD:** Do you have a copy of the final report at this stage? Has it been completed?

**Mr MATT KEAN:** I have not got a copy of the final report of the task force. I was briefed and provided with a draft report in December but I have not received a final report.

**Mr JUSTIN FIELD:** Have your officials received a final report? Are we having a dispute over the final report, or has the report not been completed?

**Mr MATT KEAN:** I do not believe the final report has been completed but I have been briefed on a draft report and I received a copy of that draft report in December.

**Mr JUSTIN FIELD:** Okay. But you do not know when that is going to be made public.

**Mr MATT KEAN:** Not at this stage, no.

**Mr JUSTIN FIELD:** Mr Griffin, I feel that you might feeling a bit left out today. Perhaps one day you are looking forward to being a future environment or energy Minister for New South Wales and, coming from an electorate like Manly where people are very concerned about climate, how do you feel about the Liddell coal-fired power station, this ageing power station, being maintained into the future?

**Mr JAMES GRIFFIN:** Mr Field, thank you for seeking my views. I am very grateful to be here today. This is fantastic. With respect to Liddell I think there are more environmentally and financially responsible options rather than investing in the extension of its life. That is my view.

**Mr JUSTIN FIELD:** Like what options?

**Mr JAMES GRIFFIN:** Hydro, solar and so on.

**Mr JUSTIN FIELD:** Nuclear, perhaps?

**Mr JAMES GRIFFIN:** I will leave that discussion for others.

**Mr DAVID SHOEBRIDGE:** Ben, you are blushing.

**Mr JUSTIN FIELD:** I am not sure you are ready for my question.

**The Hon. BEN FRANKLIN:** I am not blushing. I am engaged.

**Mr JUSTIN FIELD:** You should be the Parliamentary Secretary for Energy, perhaps.

**Mr JAMES GRIFFIN:** Perhaps.

**The Hon. PENNY SHARPE:** You are going to have to vote on it.

**Mr JUSTIN FIELD:** Minister, on 12 December 2019 you gave concurrence for amnesty from prosecution to allow fishing in five marine sanctuaries in the Batemans Marine Park. Minister Marshall, who is the Minister for Agriculture and Western New South Wales, our primary industries Minister, claimed this decision implemented an election commitment of the New South Wales Government. What is your understanding of the election commitment that was made?

**Mr MATT KEAN:** My understanding of the election commitment is that there would be a review of the marine park down in the Batemans Bay area. That body of work is currently ongoing. I was not legally required to give any concurrence. The decision could have just been taken by the agriculture Minister. So what I did in that has no legal effect. However, there is a review going on. I will wait for the recommendations of that review and then I will make a decision based on the findings of that review.

**Mr JUSTIN FIELD:** Your understanding is that the election commitment did not involve putting in place an amnesty for those five sanctuaries.

**Mr MATT KEAN:** My understanding is that the election commitment was to look at the marine park down in Batemans Bay.

**Mr JUSTIN FIELD:** Why did you give concurrence if you did not legally have to?

**Mr MATT KEAN:** I was interested in getting the balance right between recreational fishing and a marine park, understanding that there is a review going on looking at these issues. It is for a short period of time and I am going to wait to see what that review finds before we make a formal decision where I do have to give concurrence.

**Mr JUSTIN FIELD:** Is it your role to balance the interests of recreational fishing with the marine park?

**Mr MATT KEAN:** I think that we want our marine estate to be enjoyed by everyone.

**Mr JUSTIN FIELD:** What advice did you rely on in giving your concurrence decision?

**Mr MATT KEAN:** What I relied on is my understanding that the marine environment is there to be shared and enjoyed by all. I relied on the fact that there is an independent review being undertaken. I will wait until the findings of that review before we make any decisions as to the future of that marine park.

**Mr JUSTIN FIELD:** Was a brief put in front of you?

**Mr MATT KEAN:** Yes. I believe there was a brief. Yes, there was brief from the Department of Primary Industries [DPI].

**Mr JUSTIN FIELD:** Did you have separate advice from your own staff?

**Mr MATT KEAN:** I will ask the Coordinator-General to respond.

**Ms MACKEY:** There was advice provided to the department and to the Minister's office with regard to that decision that has been taken.

**Mr JUSTIN FIELD:** So it was a single brief that came from primary industries. Were there any addendums, additional information or comment provided from environment staff?

**Mr MATT KEAN:** Can I just stop you there for a second? Obviously there is a review going on. This review has a range of scientists and local people and recreational fishers on that committee. That work will be ongoing and I will consider the recommendations of the review once it is completed.

**Mr JUSTIN FIELD:** Your position then is that the amnesty provides no status quo on those sanctuary zones, that the whole park is up for review and potentially those sanctuaries could be reinstated at the end of this review.

**Mr MATT KEAN:** I am not going to pre-empt what the review might state.

**Mr JUSTIN FIELD:** You have already pre-empted it by giving concurrence for the amnesty.

**Mr MATT KEAN:** I am not going to pre-empt what it may or may not do.

**Mr JUSTIN FIELD:** Sorry, Minister, but that is an untenable position to hold.

**Mr MATT KEAN:** But what I will say is that I love our marine estate. I am a diver myself. It is something I care passionately about. I have fought some strong battles to stand up—

**Mr JUSTIN FIELD:** Have you dived at Montague Island, Minister?

**Mr MATT KEAN:** No, I have not. I would be very happy to have your invitation to take me down there diving.

**Mr JUSTIN FIELD:** There are two marine sanctuaries around Montague Island so let's go for a dive.

**Mr MATT KEAN:** I would be happy to do that. I have been a strong defender of our environment when it comes to climate change. I have been a strong defender of our environment when it comes to protecting our threatened and endangered species. I have been a strong defender of our environment when it comes to protecting the Wollemi pines and I am going to be a strong defender of our environment when it comes to protecting our marine estate.

**The Hon. PENNY SHARPE:** You have not protected your department from efficiency dividends.

**Mr JUSTIN FIELD:** Let us go for a dive. Minister, in response to the tabling last week of an upper House inquiry report looking at the implementation of the chief scientist's recommendations into the review of coal seam gas activities in New South Wales, I believe you made comments to the effect that you would not be taking advice from the Shooters, Greens and Labor on this important issue and that the Government supported all the recommendations of the chief scientist. Is that what you said?

**Mr MATT KEAN:** Can you remind me where I may have said that?

**Mr JUSTIN FIELD:** That was a comment I saw in the media. I do not have the direct reference here. Does that sound like something you might have said?

**Mr MATT KEAN:** Quite possibly.

**Mr JUSTIN FIELD:** Putting aside the fact that there were no Greens on the committee, had you read the report when you made those statements?

**Mr MATT KEAN:** I am sorry, the chief scientist's report?

**Mr JUSTIN FIELD:** Yes. The committee that looked into that had no Greens on it. It had me on it. Maybe you were referring to me.

**Mr MATT KEAN:** Let me be very clear: The chief scientist has done—

**Mr JUSTIN FIELD:** Have you read the report?

**Mr MATT KEAN:** They have made a number of recommendations to give the community confidence that if coal seam gas drilling were to occur the appropriate safeguards and protections would be in place for our environment. There were a number of recommendations. My view is that the Government should implement all those recommendations before granting the licence to allow any drilling for coal seam gas anywhere.

**Mr JUSTIN FIELD:** You suggested in those comments that basically the inquiry is wrong and you have implemented all but two of the recommendations. Is that your view?

**Mr MATT KEAN:** No. I am not going to have you put words in my mouth.

**Mr JUSTIN FIELD:** Okay, then I won't. Are you aware that neither the Liberal nor The Nationals members of that committee—

**Mr MATT KEAN:** My view is that the chief scientist has made a number of recommendations. Those recommendations need to be fully implemented before we allow coal seam gas drilling in New South Wales.

**Mr JUSTIN FIELD:** Given that there was an upper House inquiry that reported last week, that included National and Liberal Party members, none of whom made a dissenting report and that the report found that all but two of the recommendations had been fully implemented, does that not give you concern about this industry, given you have just said that they should all be implemented? They haven't been.

**Mr MATT KEAN:** I do not think we are at cross-purposes here, Mr Field. What I am concerned about is ensuring that the appropriate safeguards are in place before any coal seam gas drilling occurs in New South Wales. The chief scientist made it very clear with the recommendations that she made that they should be fully implemented before we commence any drilling for coal seam gas in New South Wales.

**Mr JUSTIN FIELD:** Would you be advocating internally for any referral of the Narrabri Gas Project to the Independent Planning Commission [IPC] to be put on hold until the Government has a chance to respond to that upper House inquiry, which was damning of the implementation of those recommendations?

**Mr MATT KEAN:** The New South Wales IPC is independent. They will make an assessment independently of the Government—

**Mr JUSTIN FIELD:** Yes, but the Government has to refer the project to them. That is what I am asking you.

**Mr MATT KEAN:** We will wait until it goes through that process. But I am not going to engage in hypotheticals here today.

**The CHAIR:** Minister, is there a coordinating body at the moment between I think it is the Environment Protection Authority [EPA] and a couple of other agencies in relation to salvage, looking at what logging can be undertaken in the burnt State forests that you are aware of?

**Mr MATT KEAN:** There have been proposals to do salvage logging in New South Wales. They are being assessed on a case-by-case basis.

**The CHAIR:** The koala inquiry was told a couple of weeks ago by Forestry Corp that there is a process with other government agencies on how to best re-engage in harvesting in burnt areas. We were under the understanding that it was a working group or a committee, if you like, which is coordinated by the EPA. Is that correct?

**Mr MATT KEAN:** Yes. I will hand over to Ms Mackey to give you some further detail.

**Ms MACKEY:** In December when it became clear that the fires were going to have a significant impact, the EPA took the opportunity to bring together a range of players from across the cluster to help inform its decision making around forestry. That included the Department of Primary Industries, Local Land Services, the science team within Environment, Energy and Science and the biodiversity and conservation teams within Environment, Energy and Science. The group does not have a status in terms of being a committee or a formal working group. Rather, it is a group that has been convened on a number of occasions to work through the issues and make sure that all of the experts who have a role to play in the forestry sector are able to bring to the table the information they have.

**The CHAIR:** How are the threatened species issues being addressed by this group?

**Ms HAWYES:** Information is provided into that forum about the known distribution of threatened species for the purposes of informing any conditions or restrictions for the regulatory process.

**Ms MACKEY:** The first task of that group was to bring together the information around the impacts of the fires, particularly the mapping work that Ms Hawyes has already referred to today. It has been quite important in terms of establishing what work needed to be done in terms of the regulation of forestry.

**The CHAIR:** Forestry Corp essentially told the koala inquiry that this group has a document that has been put out by the Environment portfolio regarding the status of threatened species. I presume that is being used, as well as all of the other information we have about what the potential impacts will be. In terms of the document that is being put out, does the Wildlife and Conservation Bushfire Recovery plan document have the tables of the threatened species in there that have been impacted by the fires? Is that what Forestry is looking at?

**Ms MACKEY:** Forestry Corp has not been party to all of those conversations. I imagine Mr Bean can talk to this further. There have been particular conversations between the EPA and Forestry Corp, but Forestry Corp was not part of the cluster group that was exploring these issues. I am not sure what document they are referring to. The purpose of the group was not to rely on a particular document but rather, as more information came to hand, to feed it into that group. That has come from both the science team and the biodiversity and conservation teams.

**The CHAIR:** Was the purpose of the group to enable salvage logging to continue in burnt forests? Was that the purpose of the group that came together?

**Ms MACKEY:** At the time I was the CEO of the EPA and the group was convened because obviously there were already arrangements in place around approval for particular compartments in forestry. The fires had impacted in a significant way at that point in the Tablelands and the North Coast. Certainly the Integrated Forestry Operations Approval [IFOA] arrangements really did not consider the circumstances we found ourselves in. So before making decisions that were blind to the circumstances, we wanted to have a conversation about the impacts and how they might need to inform decisions that would be made around the approvals of particular compartments.

**The CHAIR:** How have you worked out the impact of the fires within State forests? From EPA's perspective, how do you know the impact on threatened species within State forests? That work is still being undertaken. Is it correct that no salvage logging is being undertaken in public native forests at this point?

**Ms MACKEY:** I might hand over to Mr Bean or Mr Fowler to talk about where things are up to because I no longer sit in the EPA space.

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

**Mr BEAN:** Sorry, what exactly was the question?

**The CHAIR:** With threatened species in State forests, we were told by Forestry Corp about who is kind of looking after the impacts of threatened species in terms of salvage logging. We know the rates of threatened species that have been lost—or can have a guess. In the bushfire recovery plan, for example, it says that for the yellow-bellied glider it was about 53.6 per cent. Basically the records are in fire-affected areas, so it is potentially half of yellow-bellied gliders. The question is: What research and surveys have been undertaken post-fires in the burnt State forests to ascertain just what kind of habitat is left to ensure that the threatened species that are on the brink of extinction are not wiped out by salvage logging and other logging that is taking place? What is the EPA doing?

**Mr MATT KEAN:** Can I just jump in here for a second? I know where you are going with this. After fires of this magnitude there are no easy decisions. We have lost 5.5 million hectares of our estate in New South

Wales, including State forests. The reality is that the decision to log burnt areas as opposed to unburnt areas is not an easy one, but it is the best of a bad bunch of solutions. We need those unburnt areas protected so that native animals can seek refuge in areas where there are food supplies and where they have the best chance at recovery.

**The CHAIR:** The unburnt areas of State forests, Minister?

**Mr MATT KEAN:** That is correct, yes. So if there is a choice between a burnt area in a State forest and an unburnt area of a State forest my preference would be for them to harvest the burnt areas.

**The CHAIR:** Yes, but you are not sitting here suggesting that Forestry is about to change its approach and suddenly protect some of the State Forests by making them national park estate?

**Mr MATT KEAN:** No, I am just talking about the principle around salvage logging. My preference would be for—let's get the facts on the table because it is not only the environment that has been impacted; entire communities and towns that rely on the timber industry have been impacted. We need to ensure that those communities are not destroyed as well. My preference would be for them to go into burnt areas where there is less ability to support our native animals than the unburnt areas.

**The CHAIR:** We did hear from Forestry that there is a lot of logging being undertaken in both softwood plantations and hardwood plantations. I am actually referring to public native forests here. We were assured by Forestry Corp that they are working with the EPA and other agencies around the threatened species that are in those State forests. I have you here before me and I am wanting to know what is being undertaken to survey the threatened species in those State forests and to let Forestry Corp know whether they should go in or not. That is what Forestry Corp said to us.

**Mr MATT KEAN:** I am happy to hand over to the EPA, but let's not forget that the same regulatory rules that applied before the fires still apply now. The EPA is responsible for enforcing—

**The CHAIR:** Despite the loss of species.

**Mr MATT KEAN:** Yes. I will hand over to the EPA, but we are assessing things on a case-by-case basis. The IFOA still provides the framework under which the EPA is operating. The IFOA is silent when it comes to salvage logging, it is fair to say. But my preference would be for work to be done in burnt areas rather than unburnt areas. I am happy to hand over to the EPA.

**The CHAIR:** Minister, I have one further question. After these fires, recognising that we are in a new world—I am sure you have thought this yourself and as the Federal Environment Minister said—we need to do more now to stop a whole suite of threatened species becoming extinct. If we do not do more you will probably be overseeing the extinction of a fair few species on your watch. Yes, I know we are still operating under the same regulatory environment, but the question is: Did you make any approaches to the Premier or forestry Minister to perhaps protect more refuges of State forests now as a result of these bushfires? Have you made any approach at all in that regard?

**Mr MATT KEAN:** What you have seen is that we have released our immediate Wildlife and Conservation Bushfire Recovery plan. We are developing a wildlife recovery plan for the medium and long term. That will be funded and that will do things like consider which areas need to be protected to give our native animals the best chance at recovery.

**The CHAIR:** Of existing protected areas?

**Mr MATT KEAN:** Yes. But the EPA's job is to enforce the regulations when it comes to forestry matters.

**The CHAIR:** Existing regulations. So nothing will change? I am aware of the existing regulations but as a result of 5.5 million hectares, 37 per cent of national parks and almost 60 per cent of North Coast forests being burnt, is nothing being done to change the regulations to protect more habitat?

**Mr MATT KEAN:** These unique circumstances require a unique response.

**The CHAIR:** A different response?

**Mr MATT KEAN:** The work to develop that unique response is ongoing. We have already seen a part of it with our immediate response but there is more work to do. We need to get the balance right between protecting the interests of those communities that have been devastated economically because of the impact on their timber supply while at the same time ensuring that our native wildlife and flora and fauna have the best chance at recovery.

**The Hon. ADAM SEARLE:** Minister, are you aware that Ausgrid is now proposing to cut some 42 jobs in the Newcastle and Hunter region?

**Mr MATT KEAN:** No, I am not aware of that.

**The Hon. ADAM SEARLE:** Given our earlier discussion about the level of staffing at Ausgrid and the difficulties it had meeting the storm situation, does that concern you?

**Mr MATT KEAN:** I do not think you can look at one area in isolation. You have got to look at the entire suite of measures to ensure reliability to the system, to ensure affordability of the system. That is why we have an independent energy regulator, to make sure that our network operators are resourced appropriately in a way that does not put unfair costs onto consumers.

**The Hon. ADAM SEARLE:** But Ausgrid is proposing to cut some 11 jobs in the Upper Hunter and some 23 jobs in the Newcastle and Lower Hunter regions—all of them are frontline jobs. Given that Ausgrid was struggling to deal with the storm conditions that we faced earlier this year, that should be a great concern to you. Are you going to look into this matter?

**Mr MATT KEAN:** What is a concern to me is ensuring that people are connected to the power system.

**The Hon. ADAM SEARLE:** Yes, and we already saw that Ausgrid could not connect them fast enough.

**Mr MATT KEAN:** I would have thought you would have been supporting the workers from Ausgrid who are out there in the middle of these storms ensuring people could get electricity as soon as possible, rather than running them down.

**The Hon. ADAM SEARLE:** I am concerned that there is about to be less jobs at Ausgrid.

**Mr MATT KEAN:** I am not aware of the situation that you are talking about in Newcastle and the Upper Hunter. I want to ensure people are able to get electricity as soon as possible after they are taken out through a storm and there are appropriate mechanisms to balance the needs of network operators in terms of their resourcing and the cost to consumers that will be passed on as a result of those resourcing decisions. Those should be made by an independent body, which they are—the Australian Energy Regulator.

**The Hon. ADAM SEARLE:** But what is your Government going to do if companies like Ausgrid simply do not have the resources and do not acquire the resources to be able to respond to storm conditions and other extreme weather conditions? At the moment they are leaving it to fall on the shoulders of the State Emergency Service when they used to carry that capability. So if they do not have the resources and they are going to shed further resources, what is your Government going to do?

**Mr MATT KEAN:** Is what you are suggesting that the Government should go around the Australian Energy Regulator and pass on costs?

**The Hon. ADAM SEARLE:** No.

**Mr MATT KEAN:** Are you saying that government should determine the cost that consumers pay for their electricity bills because of resourcing issues?

**The Hon. ADAM SEARLE:** No, I am asking what you as Minister are going to do when Ausgrid will not do its job.

**Mr MATT KEAN:** Are you saying that the ETU should be the decision-maker when it comes to resourcing matters, which will be passed on to consumers?

**The Hon. ADAM SEARLE:** No.

**Mr MATT KEAN:** I will absolutely disagree with you every day of the week. We have an independent body in place for good reason: to make sure that network operators are adequately resourced and that consumers do not overpay for their electricity bills.

**The Hon. ADAM SEARLE:** Minister, we know Ausgrid did not have the resources to meet the storm conditions. They are going to shed another 500 jobs, 42 in Newcastle and the Hunter region. They do not have the resources now; they are going to have less resources in the future. How is your Government going to ensure that power gets reconnected swiftly in extreme weather conditions?

**Mr MATT KEAN:** I am not aware of the issue that you are raising with regard to Ausgrid, but you are putting a proposition to me. I do not know whether the workers that you are talking about are the ones that would cut down trees and clear debris. There are other ways that that work can be done. What I want to see is operators

like Ausgrid have a disaster recovery plan to ensure that people are reconnected to the network as soon as possible. That can include a range of measures, like ensuring that they are able to get qualified workers from interstate, from other network operators who perhaps have not been taken out by a huge storm.

**The Hon. MARK BUTTIGIEG:** But, Minister, you have got the evidence.

**Mr MATT KEAN:** Those plans are in place.

**The Hon. MARK BUTTIGIEG:** You have got the evidence on the table. It failed.

**Mr MATT KEAN:** Mr Buttigieg, if there are lessons to be learned from this storm season—

**The Hon. MARK BUTTIGIEG:** I think we are suggesting there are.

**Mr MATT KEAN:** —then we will learn them and we should put in place the steps to ensure that consumers can get reconnected as soon as possible. That is exactly what we are doing.

**The Hon. MARK BUTTIGIEG:** But is your answer that the regulator will solve the problem? Ausgrid should just go to the regulator? Is that your answer?

**Mr MATT KEAN:** Can you just say that again, sorry?

**The Hon. MARK BUTTIGIEG:** You sold this distributor, it is now non-accountable to the public and you are just buck-passing all these issues to the regulator. "It is the regulator's problem and Ausgrid's issue; it is not mine. I am the Minister for Energy but I can't do anything about it." That seems to be your response.

**Mr MATT KEAN:** Mr Buttigieg, you should know better than anyone, having worked at Ausgrid for a long period of your career, that the public can have confidence that they will get their electricity connected after a storm—

**The Hon. MARK BUTTIGIEG:** They absolutely cannot.

**Mr MATT KEAN:** —because of the strict reliability standards that are in force at law to ensure that they have that confidence.

**The Hon. MARK BUTTIGIEG:** Minister Kean, have you been watching what has been happening over the last few weeks?

**Mr MATT KEAN:** I was one of the people that went without electricity with a new-born baby. So I knew very well, Mr Buttigieg. What I am saying is that these companies need to have plans in place to respond to these outages. It is not just about getting people connected; it is also about providing people with the information they need to be able to make decisions as to when they will be connected.

**The Hon. MARK BUTTIGIEG:** Okay, so, "You will be off for a couple of weeks. Don't worry about it, we'll let you know."

**Mr MATT KEAN:** No, they should be provided with information. They should also be reconnected as soon as possible. I do not want to see anyone without power any longer than they need to be. That is why we have an independent regulator that can balance the needs around resourcing of operators with the needs of consumers not to overpay for their electricity bills. I know, Mr Buttigieg, you want people to pay more for their electricity bills. I am not going to allow that to happen.

**The Hon. MARK BUTTIGIEG:** Minister, under your watch they are paying more than they have ever paid.

**Mr MATT KEAN:** I am not going to allow you and your friends in the ETU—

**The Hon. MARK BUTTIGIEG:** Under your watch they are paying more than they have ever paid.

**Mr MATT KEAN:** —who donated \$440,000 to the Labor Party to put you in Parliament, Mr Buttigieg.

**The Hon. MARK BUTTIGIEG:** Electricity prices have not come down, Minister.

**The CHAIR:** Order!

**The Hon. ADAM SEARLE:** Minister, what are you going to do when companies like Ausgrid do not have the resources to do the job the community expects? They do not acquire more resources and they keep shedding resources, including people.

**Mr MATT KEAN:** Mr Searle, I know that I have had to explain this to you a number of times—

**The Hon. MARK BUTTIGIEG:** Blame the regulator.

**Mr MATT KEAN:** There is a mechanism whereby Ausgrid can seek additional revenue to run their operations should they need it.

**The Hon. ADAM SEARLE:** But if they do not seek the additional revenue and they are prepared to let their customers go without power, what do you do? What is your Government going to do?

**Mr MATT KEAN:** We need to ensure that the public are not being overcharged for their electricity bills, whilst at the same time ensuring the network operators are adequately resourced to get people connected to the power system as soon as possible. The reality is that the storms we saw over summer were some of the biggest that have hit our network in 30 years. People understand that there were trees down, that the network had to be rebuilt—in some areas, street by street. Poles had to be replaced, wires had to be done. Obviously, we need to make sure that our network operators have adequate resourcing, but we also need to make sure that we balance that against the needs for consumers not to overpay for their electricity bills. That is why the appropriate body to make these decisions is the Australian Energy Regulator. If you are sitting here today, Mr Searle, and proposing to abolish the Australian Energy Regulator—

**The Hon. ADAM SEARLE:** No.

**Mr MATT KEAN:** —I think you should be honest with the public, that instead of having an independent body make these decisions that you want the ETU to be the arbiter of how much consumers pay for their electricity bills. I am not going to stand that, this Government will not stand that. What we are going to stand up for is ensuring people are connected to the power system as soon as possible—

**The Hon. ADAM SEARLE:** Except they were not.

**Mr MATT KEAN:** —whilst at the same time not being slugged through the eyeballs to look after the vested interests of your mates in the ETU—

**The Hon. ADAM SEARLE:** But they were not connected to the power; it took a long time.

**Mr MATT KEAN:** —who donated \$440,292 to give Mr Buttigieg his seat in Parliament. Mr Buttigieg, can I suggest that I think the ETU is getting better value for money with the donations they gave me, which was nothing, because of the jobs that I saved at Essential Energy by issuing my direction. If George Houssos is watching this he should know that the donations he is giving me are getting far better value for money than the ones he has given to the Labor Party.

**The Hon. MARK BUTTIGIEG:** Minister, you are responsible for keeping the lights on and you are not doing it.

**The Hon. PENNY SHARPE:** The Minister is required to be directly relevant and he is straying well away from the questions that are being asked.

**Mr MATT KEAN:** What I am saying is that there is a need to balance the resourcing requirements of our network operators with the cost that consumers pay. No-one should be without power any longer than they have to. If Ausgrid wished to get additional resources, they are perfectly entitled to apply to the independent umpire to seek a ruling to get more resources. Ausgrid are perfectly entitled to do that, and they do that on occasion.

**The Hon. ADAM SEARLE:** Minister, this week we saw an upper House inquiry report on Mr Latham's legislation before the upper House to repeal the ban on uranium mining and nuclear facilities in New South Wales. Two of your Liberal Party colleagues on that inquiry supported Mr Latham's legislation. The Deputy Premier, who sits in Cabinet with you, has committed his party to voting for the Latham bill, so I assume Mr Franklin will be voting for the Latham bill, although it remains to be seen. What is your Government's policy in relation to that bill?

**Mr MATT KEAN:** Our Government will respond to that bill in the normal way that it does any other private member's bill and that is through the Cabinet process.

**The Hon. ADAM SEARLE:** Just pausing there—

**Mr MATT KEAN:** Once Cabinet has an opportunity to consider that, then we will be able to give you the Government's position.

**The Hon. ADAM SEARLE:** The vote is likely to be later this month in the upper House. You are saying that there has not been a Cabinet situation, but you have got the Deputy Premier committing his party, and



presumably the National Party Ministers, to voting for it. Is the Government divided on this or are you united on this? What is the position of the Government?

**Mr MATT KEAN:** You will be shocked to learn that I believe in Cabinet Government and you will also be shocked to learn that I am not going to talk about what happens in Cabinet.

**The Hon. ADAM SEARLE:** No, I am not asking you that.

**Mr MATT KEAN:** I am not going to speculate as to what Cabinet may or may not have discussed; I am not going to speculate on what they may or may not discuss.

**The Hon. ADAM SEARLE:** That is okay.

**Mr MATT KEAN:** We are going to go through the proper process. We always go through the proper process. That is how we make good decisions in this State.

**The Hon. PENNY SHARPE:** And you are working hard to roll the Deputy Premier there, are you not, Minister?

**The Hon. ADAM SEARLE:** Just on that, how can it be that the second-most senior member of the Cabinet, the Deputy Premier, has indicated that he and all the National Party Ministers in the Cabinet are going to vote for a piece of legislation when apparently it is not the Government position?

**Mr MATT KEAN:** Mr Searle, I wish I was the Deputy Premier of New South Wales. Many people wouldn't but I wish I was. But these are questions that you have to direct to the Deputy Premier. The Deputy Premier has very robust views on a number of topics. I have read about one of them this morning. I was delighted to see that the Deputy Premier has said:

Without question we need to reduce carbon and limit our emissions.

The Deputy Premier has put forward a way to do that.

**The Hon. PENNY SHARPE:** He said that today; that is not what he said last week. It is a day-by-day proposition.

**Mr MATT KEAN:** I am very excited that the Deputy Premier and members of the Coalition are looking at proactive ways to reduce our carbon emissions. I have not heard any plans from the Labor Party about how we are going to reduce our carbon footprint in New South Wales. I would be excited if you guys would enter the debate and put forward your ideas.

**The Hon. ADAM SEARLE:** At the last budget estimates—

**The CHAIR:** Order! The member will ask his next question.

**Mr MATT KEAN:** We are going to do it in a way that grows our economy, creates jobs and sets this State up to be an economic powerhouse.

**The Hon. ADAM SEARLE:** Minister, at the last budget estimates, you indicated that you had had informal advice from the department that nuclear power would cost something like \$180 per megawatt hour. You said it was informal advice. Are you aware that *BloombergNEF New Energy Outlook 2019* says that the levelised cost for new nuclear power would be between \$195 and \$344 per megawatt hour? That is presumably United States dollars, which makes it the most expensive form of new-build electricity New South Wales could have. You would agree, wouldn't you, that nuclear power is not a financially responsible proposition for New South Wales?

**Mr MATT KEAN:** I have not seen the Bloomberg report but I have seen the CSIRO and AEMO report, *GenCost 2018*, which looks at the levelised cost of electricity from a number of sources, including small modular nuclear reactors. It would suggest that it is probably the most expensive way to get electricity at this point in time. Could that change in the future with technology and innovation? Anything is possible.

**The Hon. ADAM SEARLE:** We are talking about what we do know: At the moment it is the most expensive form of new-build electricity, even so-called small modular reactors. You would agree with that. That is the current state of knowledge.

**Mr MATT KEAN:** My understanding is that there is not a small modular nuclear reactor commercially operating anywhere in the world.

**The Hon. ADAM SEARLE:** No, not at least until 2024, possibly later.

**Mr MATT KEAN:** That is the Idaho proposal.

**The Hon. ADAM SEARLE:** That is Utah, actually.

**Mr MATT KEAN:** I understand that the cost to build that is going to be about US\$3 billion.

**The Hon. PENNY SHARPE:** Manly would love it.

**Mr MATT KEAN:** That is about five-and-a-bit billion Australian dollars. I would suggest that—

**The Hon. ADAM SEARLE:** It is not a good investment of money, is it?

**Mr MATT KEAN:** In the meantime, we could be spending that money building pumped hydro—

**The Hon. ADAM SEARLE:** Exactly.

**Mr MATT KEAN:** —or seeing batteries come down the cost curve. That would be a far cheaper, more efficient way of delivering cheap, reliable power, which is what this Government's objective is.

**The Hon. ADAM SEARLE:** Apparently not the objective of the whole Government, if your Deputy Premier wants to invest in nuclear technology.

**Mr MATT KEAN:** But the Deputy Premier is talking about ways to reduce emissions, of which nuclear is a proven pathway. We know that there is development and innovation going on in all the energy generation sources, including nuclear. It may be a viable pathway in the future, in the many decades ahead. We are not going to rule that out.

**The Hon. ADAM SEARLE:** Minister, you would agree that nuclear power is not clean in terms of the waste that it produces, which lasts for tens of thousands of years. You would accept that it is not a clean alternative energy.

**Mr MATT KEAN:** What I would accept is that nuclear power—

**The Hon. ADAM SEARLE:** Today.

**Mr MATT KEAN:** —does generate zero emissions energy. That is a good thing. Are there innovations happening that could deliver clean nuclear energy in the future? I understand that is the case. Whether they are going to be commercially viable anytime soon, I wait to be proved that that is the case.

**Mr DAVID SHOEBRIDGE:** Minister, while we are on the issue of nuclear, you quite rightly read onto the record that the cost of the only currently being constructed small modular reactor in the United States is something in the order of \$5.5 billion. We agree on that?

**Mr MATT KEAN:** Yes.

**Mr DAVID SHOEBRIDGE:** It is also a very small proposed energy producer as well. Do you know what the proposed energy production is from that extraordinarily large expenditure?

**Mr MATT KEAN:** From what I have read about the project that the government of Idaho is developing, it is a small modular nuclear reactor at a cost of around \$2.96 billion.

**The Hon. ADAM SEARLE:** US dollars.

**Mr MATT KEAN:** US dollars. It will produce around 700 megawatts of electricity. To put that into perspective, that is the equivalent of one turbine at Liddell.

**Mr DAVID SHOEBRIDGE:** Yes, when it is working.

**Mr MATT KEAN:** When Liddell is working, which, it is fair to say—

**Mr DAVID SHOEBRIDGE:** Can you give the Committee an indication of what kind of energy generation we could get from renewables and a mixture of renewables and batteries for the kind of spend of \$5.5 billion?

**Mr MATT KEAN:** In my view, you could completely overbuild the capacity of our grid in a way that would halve the electricity costs that we are paying and give us almost zero cost electricity. There are far cheaper ways to deliver cheap, reliable energy into the system at this point in time. Could that change in the future? Quite possibly.

**Mr DAVID SHOEBRIDGE:** Surely the goal of your Government, given the extraordinary renewable energy resources that our State has, is to have us become a renewable energy superpower and massively

overproduce renewable energy so that we can encourage industries that are heavily energy reliant, like even the aluminium industry and the smelting industry, to remain here with cheap, ultimately almost free, renewable energy. Is that your goal?

**Mr MATT KEAN:** My vision for New South Wales is for us to be an economic superpower. The way that we can do that is by having some of the cheapest electricity anywhere in the world.

**Mr DAVID SHOEBRIDGE:** And the way to do that is renewables. That is what all the economics is telling us. Isn't that right?

**Mr MATT KEAN:** This is not a matter of ideology or opinion; this is a matter of science and economics. The science and economics say that the cheapest way of delivering reliable electricity into the system is sun and wind, backed up by things like pumped hydro and batteries. If you inject enough into the system, you can almost get zero marginal cost electricity, which will turbocharge the Australian economy now and into the future.

**Mr DAVID SHOEBRIDGE:** Maybe we just need the politics to stop being the barrier. Do you agree, Minister, that politics is the barrier to that future at the moment and that the absence of a coherent policy from the Federal Government is the barrier to that positive future that you are talking about?

**Mr MATT KEAN:** It is fair to say that we are getting too much politics and too much ideology in the way of good decisions. That is what I am trying to crash through.

**The Hon. PENNY SHARPE:** Between you and the Deputy Premier is where it is mostly happening, Minister.

**Mr MATT KEAN:** That is what I am trying to crash through because I think that we are all trying to achieve the same thing in the end, which is cheap, reliable power that will underwrite the prosperity of this State for future generations. Right now if you are making decisions about how to replace the existing source of generation in this State, the best way to do that would be sun, solar and wind, backed by pumped hydro, batteries and gas.

**Mr DAVID SHOEBRIDGE:** The physics of climate change does not respond to political messaging, does it, Minister? That is what I would suggest your Deputy Premier and your Federal colleagues do not understand: The physics of climate change is not going to respond to an op-ed in *The Sydney Morning Herald*.

**Mr MATT KEAN:** The Deputy Premier is absolutely committed to ensuring that rural and regional New South Wales is able to be a powerhouse, economically. He is absolutely committed to ensuring that we reduce our emissions to protect our environment and grow our economy, as we all are in this Government.

**The Hon. PENNY SHARPE:** How's that going for him?

**Mr MATT KEAN:** I am not going to apologise for this Government having a robust discussion about how we can turbocharge the State of New South Wales and set us up for success in the future. Would nuclear be part of that discussion? Absolutely.

**Mr DAVID SHOEBRIDGE:** At an insane and completely bizarre proposed expenditure. Minister, moving to the past, to Liddell, I know you were asked some questions earlier in estimates about the draft report from the Liddell Taskforce. I know you were asked about tabling certain documents that have been obtained for that task force. Will you table and show to the public what the draft report from the task force has? Will you provide a copy of that to the Committee so that the people of New South Wales can see what they have paid for?

**Mr MATT KEAN:** The Liddell Taskforce report will be made public in due course. I am not going to table the draft report at this stage because it is exactly that: a draft report. Let us wait till the task force finishes its job. But I am absolutely committed to ensuring that the public can see exactly the issues that we are facing when it comes to the closure of Liddell in 2023.

**Mr DAVID SHOEBRIDGE:** What is happening with the draft report now? Is it going to the Federal Minister's office? Is the Federal Minister involved in finalising the draft report?

**Mr MATT KEAN:** Obviously, the Federal Government is involved in the Liddell Taskforce, as is the State Government. The Commonwealth and the State are working together to look at all the issues. The Federal Government has said that we should look at extending Liddell or having a like-for-like replacement. The Liddell Taskforce is assessing those options and will make recommendations, which we will then consider.

**Mr DAVID SHOEBRIDGE:** Does Minister Taylor have any role in this? Has he got his eraser out and doing a City of Sydney effort on the documents? Is that what is happening at the moment?

**Mr MATT KEAN:** There is a task force. It has the appropriately qualified people on it, looking at the very serious and relevant issues. It will go through that process and it will report publicly so that the public can be included in this debate about what we do when and if Liddell closes.

**Mr DAVID SHOEBRIDGE:** Is that task force report going to go across Federal Minister Taylor's desk so that he can make politicised changes to the recommendations or is it going to be a genuinely independent report? Is he going to have any editorial power over of it?

**Mr MATT KEAN:** That is a matter for Minister Taylor. I am the State Minister.

**Mr DAVID SHOEBRIDGE:** Well, will you?

**Mr MATT KEAN:** I will be relying on the experts and the task force. I will be looking forward to those recommendations. My job is to respond in a policy sense as to what we are going to do to ensure that prices come down, we do not have blackouts and that we keep the system running. I want to see our system transition to a modern grid. That is exactly what I am focused on, which is why I have released the State's first ever electricity strategy to facilitate exactly that.

**Mr DAVID SHOEBRIDGE:** Are you aware that AEMO's *2019 Electricity Statement of Opportunities* report for the sector pointed out a series of concerns regarding Liddell?

**Mr MATT KEAN:** Yes, I am aware of that.

**Mr DAVID SHOEBRIDGE:** Would you agree that it is perhaps one of the least reliable energy generators in the country?

**Mr MATT KEAN:** Yes.

**Mr DAVID SHOEBRIDGE:** Has AEMO undertaken any independent investigation of the Liddell Power Station?

**Mr MATT KEAN:** My understanding is that AEMO has done a body of work and that has been provided to the task force.

**Mr DAVID SHOEBRIDGE:** Given it is the key independent energy regulator, has it produced a report on Liddell?

**Mr MATT KEAN:** I understand that it has.

**Mr DAVID SHOEBRIDGE:** Minister, will you table with this Committee a copy of AEMO's report on Liddell? I assume it has not been obtained at the task force's request. I assume it is an independent document from the independent regulator. When will we see it?

**Mr MATT KEAN:** With respect, Mr Shoebidge, I believe that the public should see these documents but I will not make them available until the task force hands down its official report. At that point in time I am very happy to release the documents that underpin the task force's report.

**Mr DAVID SHOEBRIDGE:** Minister, rather than a highly politicised task force report, there is currently a report from the independent regulator, which you have been backing in earlier questions and answers in this estimates hearing. We have a report from the independent regulator. Why will we not see it? Why will you not table it?

**Mr MATT KEAN:** I am absolutely committed to making that document public—

**Mr DAVID SHOEBRIDGE:** Show it to us now.

**Mr MATT KEAN:** —once the task force has completed its work. It is not appropriate for me to be putting out reports in isolation from a bigger body of work. Let the public see it as part of the comprehensive body of work that has been undertaken by the Liddell Taskforce.

**Mr DAVID SHOEBRIDGE:** Minister, I am sure your Federal counterpart would like to bury the independent advice behind a highly politicised task force report, but I am asking you, as the New South Wales Minister, will you provide that non-political, transparent advice from the energy regulator and put it on the table now.

**The Hon. BEN FRANKLIN:** It will be the same answer to the question that you have now asked five times.

**The CHAIR:** Order!

**Mr MATT KEAN:** I have said that I am very happy to make it public. I am sure the Federal Minister is very happy to make it public. We are working through a process. That process is considering a range of issues. It would not be appropriate to release one bit of information in isolation from the entire task force report, which is exactly what we are going to do.

**Mr DAVID SHOEBRIDGE:** We might revisit this in a debate in the upper House.

**Mr MATT KEAN:** That is a matter for you, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** The NSW Environment Protection Authority is meant to be overseeing forestry operations and ensuring that they comply with key protections for protected species. Are you aware of that?

**Mr MATT KEAN:** Yes.

**Mr DAVID SHOEBRIDGE:** Have you had raised with you the concerns about the damage that forestry corporations logging will do to the remaining habitat in the Styx River State Forest?

**Mr MATT KEAN:** Yes, I am aware of concerns about the Styx River harvesting operation.

**Mr DAVID SHOEBRIDGE:** Logging.

**Mr MATT KEAN:** Logging operation. I understand that that operation has been completed. I am happy to hand over to my official from the EPA, Mr Fowler, to provide you with more information.

**Mr FOWLER:** That is right, Mr Shoebridge. The Styx River forest logging operations of unburnt timber ceased. The EPA were onsite yesterday and they are pulling out falling timber now. They expect to be offsite by the end of the week. We are currently investigating planning of those logging operations.

**Mr DAVID SHOEBRIDGE:** Minister, will you support a moratorium on forestry corporation logging our remaining native forests, given how much has been savaged by these bushfires and that we need to ensure we have a biodiversity store in our native forest? Will you support a moratorium on logging of native forests?

**Mr MATT KEAN:** Mr Shoebridge, what I will support is ensuring we get the balance right between ensuring that our native animals, our natural environment can recover after these bushfires in a way that does not cripple our local communities. Some of these communities, particularly in northern New South Wales and southern New South Wales rely on the timber industry, rely on those private native forests.

**Mr DAVID SHOEBRIDGE:** This is the only remaining bit of forest being logged.

**Mr MATT KEAN:** We need to get the balance right, Mr Shoebridge.

**The CHAIR:** Order! We have four minutes.

**The Hon. MARK PEARSON:** Coming back to the harming of wildlife, particularly in relation to post-fires. A licence was issued on 28 January by National Parks and Wildlife Service Tumut office for the Albury golf club to kill 150 little corellas and up to 30 wood ducks. A response from one of your officers of your department, Mr Richard Hodge was, "in our request to suspend such licences, the department has not suspended the issuance of any licences to harm. Continuing to issue licences to harm is necessary to protect life and property and persons who may also have been affected by the bushfire and drought." Could the Minister or one of your officers tell me, how can 150 little corellas and 30 wood ducks risk life and property and persons on a golf club?

**Mr MATT KEAN:** Mr Pearson, I am hearing about this for the first time. I would be delighted to call Mr Richard Hodge to the table, but I do not think he would be very excited about that. I might hand it over to Mr Quirk.

**The Hon. MARK PEARSON:** These are the things that we really need to review, issuing licences like has been normal practice. Is it not because of the crisis that has occurred, at such an extraordinary scale, affecting all animals that are coming and going in the golf clubs, bush, whatever, surely we should review harming them as a consequence?

**Mr MATT KEAN:** I will jump in before Mr Quirk does. That is a perfectly reasonable proposition that you have put to me. The idea that a wood duck could affect a golf course seems a bit absurd. It is the first time I have heard about it. Could I get some more information from you, take that offline and see what we can do to find a better solution moving forward.

**ANSWER:**

I am advised that a licence as you describe was issued for a period of three months on 28 January 2020. Following review by the NPWS, it was cancelled in the week of 10 February 2020. There is no risk to the conservation status of either species by issuing the licence.

**The Hon. MARK PEARSON:** You are taking the question on notice, thank you. One of the questions in relation to the minutes of the Kangaroo Management Advisory Panel meeting on 28 November. The reference to avoiding females in the commercial industry has been removed from the code. Does the Minister know why the avoiding of killing females has been dropped from the code, considering what Ms Molloy has said—that the commercial industry is closely monitored and it is only a percentage of kangaroos that are killed. There are two factors which point to the fact that the industry is out of control. Number one, it was a male kill only. That has been removed and it is now they can kill females as well. There was a concern with the joeys afoot and the joeys in pouch, that when you were shooting a female you were possibly 50 per cent of the time killing three animals. There has also been an application by the industry to reduce the minimum weight of the commercial kill. If there is such an abundance of kangaroos why would the industry want to reduce the minimum weight for commercial killing and why now lift the moratorium on killing females because of the European concern about the treatment of joeys? Does that not indicate that the industry is out of control and the numbers of kangaroos have seriously been depleted?

**Mr MATT KEAN:** I refer that to Ms Molloy.

**Ms MOLLOY:** I would dispute the fact that the kangaroo management program is not properly managed. We have got the Commercial Kangaroo Harvest Management Plan 2017- 2021—I mentioned this earlier—that is endorsed by the Commonwealth. We also have a Kangaroo Management Advisory Panel that meets regularly and looks at the relevant research. The industry policy around taking of females was that—it was an industry policy that they decided to put up and then take back. The way that we regulate the kangaroo management industry—

**The Hon. MARK PEARSON:** Just on that, could you answer the question as to why they would want to remove the directive not to kill from females?

**Ms MOLLOY:** I cannot answer that. I will have to take that part of it on notice, if I may. The way that we regulate the industry is—and you are correct around minimum weights—we have got different weights depending on whether the animals are dressed or not. There is 14 kilograms or 15 kilograms. That tends to be most of the kangaroos from our intel. Most of the kangaroos taken as part of the commercial kangaroo industry are males and tend to be not females. The industry is quite comfortable with that in that regard. We have not had any official approach from industry to change those weights. There has been some discussions on a kangaroo management task force, which is a task force managed by Local Land Services not our official Kangaroo Management Advisory Panel.

**ANSWER:**

I am advised that the original decision by the Kangaroo Industry Association Australia (KIAA) to introduce a male only harvest policy was to follow a suggestion in the National Code of Practice for Humane Shooting of Kangaroos and Wallabies for Commercial Purposes stating ‘shooters should avoid shooting female kangaroos or wallabies where it is obvious they have pouch young or dependent young at foot’.

A review of the National Code of Practice for Humane Shooting of Kangaroos and Wallabies for Commercial Purposes commenced in 2017. The committee formed for the review advised the KIAA that the industry initiated male only policy may be detrimental to the welfare of female kangaroos. This is because non-commercial culling of females by amateur shooters would likely increase, including inhumane euthanising of pouch young if the shooters check the pouch for young. Based on this advice the KIAA revoked the male only policy in 2018 based on the proposition that professional (certified) harvesters follow best practice protocol and licence conditions.

**The CHAIR:** Thank you very much. We will now have a break and be back at 11.40 a.m.

(Short adjournment)

**The CHAIR:** We begin with questions from the Opposition. Mr Searle?

**The Hon. ADAM SEARLE:** Thank you. Minister, in relation to—

**The Hon. PENNY SHARPE:** I thought it was me.

**The Hon. ADAM SEARLE:** Sorry, it is.

**Mr MATT KEAN:** Is this division between the factions in the Labor Party?

**The Hon. PENNY SHARPE:** No, this is enthusiasm.

**The Hon. ADAM SEARLE:** We are just so keen to have you back, Minister.

**The Hon. PENNY SHARPE:** It is enthusiasm for the process, Minister.

**Mr MATT KEAN:** You are the only ones that are.

**The Hon. PENNY SHARPE:** We are very enthusiastic, always.

**The Hon. ADAM SEARLE:** We could just sit here all day.

**The Hon. PENNY SHARPE:** My question is to the Parliamentary Secretary. I told him that I would ask him questions early so that he can go. I think this is the last lot of questions for him.

**Mr JAMES GRIFFIN:** Thank you.

**The Hon. PENNY SHARPE:** I want to explore your view, Parliamentary Secretary, for Environment in relation to nuclear energy and where you believe that fits in the policy in New South Wales?

**Mr JAMES GRIFFIN:** Thank you for the question. I think the issue of nuclear energy is one that outside the Deputy Premier has not been canvassed all that much. I think the Minister here has presented a very outstanding road map that looks at other forms of renewable energy that I think we should be pursuing.

**The Hon. PENNY SHARPE:** And you are aware of the bill that is going to come before Parliament from the Hon. Mark Latham that seeks to reopen exploration and the possibility of nuclear energy in New South Wales?

**Mr JAMES GRIFFIN:** This week I was made aware of it, yes.

**The Hon. PENNY SHARPE:** Would you support even a small, boutique nuclear reactor being established in Manly?

**Mr JAMES GRIFFIN:** We certainly love boutique things in Manly but I think it would be safe for me to say we draw the line at a nuclear reactor of any type.

**The Hon. PENNY SHARPE:** It looks like the Government is going to have to look at a few other MPs who might be willing to look at that. Thank you, Mr Griffin. I am not going to be asking any further questions.

**The CHAIR:** I have canvassed other members if they have any further questions for you, Mr Griffin, and you are free to go about your day and leave the estimates. Thank you very much for appearing.

**Mr MATT KEAN:** Go back to the boutique shops of Manly.

**Mr JAMES GRIFFIN:** Thank you, Chair.

**The CHAIR:** Thank you very much.

**The Hon. PENNY SHARPE:** Minister, where is your 20-Year Waste Strategy up to?

**Mr MATT KEAN:** We have obviously commenced that process. It is a big body of work.

**The Hon. PENNY SHARPE:** It has been going for a while.

**Mr MATT KEAN:** Obviously it has been complicated by the announcement by the Federal Government that they will be banning the export of certain types of waste, which we need to factor into the plan. We need to make sure that we have got the appropriate infrastructure to be able to handle and process those wastes that we can no longer send overseas for processing. There is a big body of work.

**The Hon. PENNY SHARPE:** I understand that. Minister, does that mean that you are going to be devoting more money of the waste levy to actually build the facilities that are required as a result of this decision?

**Mr MATT KEAN:** This Government has spent over \$800 million over the last nine years on the waste levy.

**The Hon. PENNY SHARPE:** We can go into that. You have also collected about \$8 billion, so let us be honest here.

**Mr MATT KEAN:** We are developing the Waste Strategy for New South Wales.

**The Hon. PENNY SHARPE:** When is it going to be finished?

**Mr MATT KEAN:** It is a comprehensive body of work. Obviously we need to make sure that we have the resourcing to build the infrastructure required to process a lot of that stuff. It will be announced once the work is done.

**The Hon. PENNY SHARPE:** Can you give us a time frame? Is it this year? Is it next year? Is it halfway through this year?

**Mr MATT KEAN:** I would not want to pre-empt what may or may not happen. There is a huge body of work that is being undertaken. Right now we are going through the process. There is a lot of consulting to do. It has been disrupted by the changes to the Federal Government's policy positions—

**The Hon. PENNY SHARPE:** Yes, I heard that before.

**Mr MATT KEAN:** —around the export bans, so I am not going to put a time line on it today. But we are working as soon as possible because our focus is on not only delivering good outcomes for our environment but also looking at ways that we can reduce costs to businesses and individuals.

**The Hon. PENNY SHARPE:** Minister, is it not the case that the waste levy will raise about \$3 billion over the next four years?

**Mr MATT KEAN:** Yes, thereabouts. The waste levy does raise a fair sum of money.

**The Hon. PENNY SHARPE:** So that there is money available to deal with the issues that you are speaking about?

**Mr MATT KEAN:** That is correct.

**The Hon. PENNY SHARPE:** Do you believe that in addition to the \$800 million that you talk about, frequently there will be extra money to actually build the recycling facilities that New South Wales needs?

**Mr MATT KEAN:** We are obviously looking to make sure that we have the money to build the facilities that New South Wales needs, yes. I thought that was self-evident.

**The Hon. PENNY SHARPE:** Minister, come on, let's not play games. That requires money that is currently going into consolidated revenue for the waste levy to actually be used to fund recycling projects. Do you foresee that happening?

**Mr MATT KEAN:** I am not going to pre-empt where we may or may not get the money to build the infrastructure that we need. By your logic, I assume you are not seriously suggesting that all taxation from companies should go back to companies or all taxation from stamp duty should be going back to property developers, Ms Sharpe?

**The Hon. PENNY SHARPE:** I have not asked you about that at all, Minister. My question is about where you are going to get the money for this because it goes to my next question.

**Mr MATT KEAN:** If you are here to advocate for that line of policy then let us explore it.

**The Hon. PENNY SHARPE:** No, I am not. If you want to try and pretend that that is the case, it obviously is not.

**Mr MATT KEAN:** No. You are saying that all waste levy money should go to waste.

**The Hon. PENNY SHARPE:** You do not get to ask me questions. I get to ask questions, and that is not what I am suggesting.

**Mr MATT KEAN:** I am not asking, I am answering, Ms Sharpe.

**The Hon. PENNY SHARPE:** I am saying you are going to raise \$3 billion from the waste levy in the next four years. We have a massive underinvestment in recycling facilities across this State as a result of the policy that you have just indicated from the Federal Government banning the export of certain items. You are unable to



tell me whether you are going to use the waste levy to provide additional money on top of what is already allocated, which is a much smaller amount given that two-thirds of the waste levy goes into consolidated revenue. That is what I am talking about and to suggest otherwise is simply wrong. There is a very big issue with clean-up post the bushfires, the access to landfill and the cost to councils, particularly dealing with hazardous waste as a result of asbestos, and the clean-up, as I understand it, has been delayed in many communities because this is a significant problem. Mr Beaman will know the answer to this. What assistance are councils getting to deal with this clean-up issue?

**Mr MATT KEAN:** Before Mr Beaman jumps in, obviously we have waived a number of fees and charges when it comes to dumping waste for those affected councils. But I will hand over to Mr Beaman, who is—

**The Hon. PENNY SHARPE:** My understanding is that there is just a complete lack of facilities to take the volume of waste that is there.

**Mr MATT KEAN:** There are some challenges, but we have also said that, if waste is filling up the existing facilities, we will help pay for the expansion of the facilities. I will hand over to Mr Beaman.

**Ms MACKEY:** Just before Mr Beaman, I think it is important to outline that there are well-practised arrangements around waste post any kind of emergency situation and the same thing has applied—

**The Hon. PENNY SHARPE:** Well, 10,000 buildings and 2,500 homes is bigger than what we would normally be dealing with.

**Ms MACKEY:** It is, but certainly those arrangements are well practised. What has happened is that there is a State recovery arrangement, which we are operating under, and there is a waste and environment subcommittee that sits under that and has responsibility for developing the plan around what happens to waste, including hazardous waste, because there is more than asbestos that occurs, and there have been individual plans by council area that have been negotiated and put in place. Mr Beaman can talk to those.

**The Hon. PENNY SHARPE:** Thank you, Mr Beaman. I might actually ask you about that this afternoon when we have a bit more time, but you should stay here because I am asking more questions about waste and the Minister may want to flick those to you. Minister, is the Waste Avoidance and Resource Recovery [WARR] Strategy still active?

**Mr MATT KEAN:** Yes, it is.

**The Hon. PENNY SHARPE:** Can you provide information to the Committee about where the targets are up to—for example, the increased recycling rate for waste from 52 per cent to 70 per cent in 2021?

**Mr MATT KEAN:** I will just hand over to Ms Sridher, who is responsible for that area.

**Mr SRIDHER:** Sorry, could you repeat the question?

**The Hon. PENNY SHARPE:** I am going to ask you about all of them. Given the 20-year waste strategy is late and there is no clear time frame from the Minister on when that is coming, and given that the WARR Strategy remains the active document, there is a series of targets within the WARR Strategy and I am really wanting an update on where those are up to. The first one is the recycling rate from council waste where the target is from 52 per cent to 70 per cent by 2021, and I am wanting to know where that is up to.

**Mr SRIDHER:** I will have to take some of the specifics on notice and I will be able to respond to those this afternoon.

**The Hon. PENNY SHARPE:** Fantastic, that would be great. In that case, I want to know where we are up to with the recycling rate of commercial industrial waste, where the target is from 57 per cent to 70 per cent; the recycling rate for construction and demolition, 75 to 80 per cent; waste averted from landfill from 63 to 75 per cent—I mean these are clear targets, so it is not anything too tricky—and where we are up to with establishing the 86 drop-off facilities for problem waste, so cleaning products, paints, pool chemicals, those kinds of things, and where we are at in relation to the target of 30 per cent less illegal dumping. I am happy for you to take me through all of that this afternoon.

**Mr SRIDHER:** I will take all those on notice, yes.

**The Hon. PENNY SHARPE:** Unless the Minister knows those off the top of his head.

**Mr MATT KEAN:** I will take them on notice for you, Ms Sharpe.

**ANSWER:**

I am advised that for 2017/18, the recycling rate for municipal solid waste (termed council waste) was 42 per cent. The recycling rate of commercial industrial waste was 53 per cent and the recycling rate for construction and demolition was 77 per cent.

Data for 2018/19 is expected to be finalised and available shortly, and data for 2019/2020 is expected to be available by early 2021.

The Community Recycling Centres and Household Chemical Cleanout programs collected 4,360 tonnes of potentially hazardous household waste in 2018/19.

To date, 110 Community Recycling Centres have been funded. Ninety-two are open and operational in NSW. The Community Recycling Centres accept paint, oils, gas bottles, batteries, smoke detectors and fluorescent lights.

The sister program, the Household Chemical CleanOut accepts the above-mentioned materials as well as household and garden chemicals, hobby chemicals, acids and alkalis, fuels and poisons. Over 115 Household Chemical CleanOut events are held across NSW annually.

Comprehensive results on illegal dumping are not currently available as data is still being collected, prior to validation. Based on current progress, approximately 50 per cent of councils have already exceeded or met the 30 per cent reduction target to date.

**The Hon. PENNY SHARPE:** Thank you. Minister, we have been talking about single-use plastic bags for a very long time. You got to vote against my bill in the lower House when it got through the upper House last year. You said at the time that you were not going to do that because you were going to have a whole plastics strategy. You promised us a plastics strategy by the end of last year. Where is the plastics strategy?

**Mr MATT KEAN:** We obviously have a well-developed plastics plan, which we will release shortly.

**The Hon. PENNY SHARPE:** Which no-one has seen.

**Mr MATT KEAN:** It is very well developed. The release will be imminent. Obviously I want to maximise the media opportunity out of that, which I am not going to do by announcing it today, unfortunately, Ms Sharpe. It was not released over Christmas, as I originally said it would be, for obvious reasons. Our focus was keeping people, property and wildlife safe through the worst bushfire season that we have seen. But let me assure you, Ms Sharpe, the only reason I voted against your plastics bill was because I did not think it went far enough and our plastics plan will be comprehensive—

**The Hon. PENNY SHARPE:** That is not what your predecessor said.

**Mr MATT KEAN:** It will canvass a whole range of other issues and plastics that need to be addressed.

**The Hon. PENNY SHARPE:** Does that mean that you will be moving on banning single-use plastic bags in your plastics strategy?

**Mr MATT KEAN:** I am sorry, I do not want you to steal my media opportunity—I know you have Channel 10 here today—but I want to make sure I have got the whole suite of networks to announce our very comprehensive plastics plan, which will be imminent.

**The Hon. PENNY SHARPE:** Minister, I know you want the media opportunity, but the issue is that we have 60 million bags being littered every single year. They are strangling turtles, they are polluting our waterways. We could have acted on this five years ago. You actually do not oppose it—

**Mr MATT KEAN:** I have not been the Minister for five years.

**The Hon. PENNY SHARPE:** But yet again we have more delays in terms of getting support from someone like yourself who says they support it.

**Mr MATT KEAN:** Ms Sharpe, I have not been the Minister for five years. What I am focused on is delivering a comprehensive plastics strategy—

**The Hon. PENNY SHARPE:** You have been in Cabinet for five years.

**Mr MATT KEAN:** I totally agree with you: There is too much plastic polluting our environment. But it is not just plastic bags; it is straws, it is coffee cups, it is pizza boxes—

**The Hon. PENNY SHARPE:** Yes, I know that.

**Mr MATT KEAN:** There is a whole range of stuff.

**The Hon. PENNY SHARPE:** Every other State and Territory has dealt with plastic bags.

**Mr MATT KEAN:** So our comprehensive plastics policy—

**The Hon. PENNY SHARPE:** I applaud you if you want to go further, but we have not even been able to get to base one and do the basics because of politics—

**Mr MATT KEAN:** I do not want you to steal my media opportunity today, Ms Sharpe.

**The Hon. PENNY SHARPE:** And now it looks like it is about your media opportunity.

**Mr MATT KEAN:** You will just have to wait and see.

**The Hon. PENNY SHARPE:** I look forward to seeing you with the turtles.

**Mr MATT KEAN:** I am on board with reducing plastics; I agree with you, and I look forward to working with you supporting our comprehensive plastics policy.

**The Hon. PENNY SHARPE:** We will see.

**The Hon. MARK BUTTIGIEG:** Follow our lead.

**Mr MATT KEAN:** It does not go far enough. You just do not like that I am out-greening you guys. That is the problem.

**The Hon. PENNY SHARPE:** No, you are talking a lot.

**The Hon. MARK BUTTIGIEG:** It is great, but we actually have to see it.

**Mr MATT KEAN:** You do not like that I am stealing your space—

**The Hon. PENNY SHARPE:** You are talking a lot and not delivering very much.

**Mr MATT KEAN:** That is what you do not like.

**The Hon. PENNY SHARPE:** The only difference between you and us is that you say you are going to do something. Where is the clean air strategy up to?

**Mr MATT KEAN:** The clean air strategy?

**The Hon. PENNY SHARPE:** Yes, that started in 2016.

**Mr MATT KEAN:** I was so excited about plastics, forgive me.

**The Hon. PENNY SHARPE:** Clean air is pretty important too, Minister.

**Mr MATT KEAN:** I am very happy to hand over to Ms Hawyees to give you an update on the clean air strategy.

**Ms HAWYEEs:** My understanding is that the status of that is awaiting Government consideration.

**The Hon. PENNY SHARPE:** Is it on your desk, Minister?

**Mr MATT KEAN:** There are a lot of things on my desk because there are so many issues that this Government is focused on.

**The Hon. PENNY SHARPE:** Yes, clean air is pretty important. Where is the clean air strategy up to?

**Mr MATT KEAN:** Absolutely, and I have just rolled out another air monitoring station in the City of Sydney and I thank Clover Moore for putting me on the front page of her newsletter. She said it was the best meeting she has had with a Liberal environment Minister in the history of her time in public life.

**The Hon. PENNY SHARPE:** Yes, if you want to get your people to ask you a question about that, that is fine.

**Mr MATT KEAN:** That is a badge I wear with pride.

**The Hon. PENNY SHARPE:** We have been waiting for a clean air strategy since 2016.

**Mr MATT KEAN:** We take clean air very seriously.

**The Hon. PENNY SHARPE:** It is a serious matter.

**Mr MATT KEAN:** I agree.

**The Hon. PENNY SHARPE:** We have just lived through this summer when kids could not breathe.

**Mr MATT KEAN:** I agree.

**The Hon. PENNY SHARPE:** People have been having asthma attacks and our hospitals have been overrun. The clean air strategy has never been more important. It is now four years overdue and I am now told it is sitting on your desk. When are we going to see it?

**Ms HAWYES:** Can I elaborate on some of the air quality monitoring?

**The Hon. PENNY SHARPE:** You can talk to me about that this afternoon, Ms Hawyes. I want to know where these things are moving through government to get finalised.

**Mr MATT KEAN:** Yes, I was not trying to trivialise that. It is a very serious issue. There were people unable to breathe as a result of the bushfires this summer.

**The Hon. PENNY SHARPE:** Yes.

**Mr MATT KEAN:** But that is something that people in the Hunter have to deal with on a daily basis.

**The Hon. PENNY SHARPE:** Yes.

**Mr MATT KEAN:** We operate one of the largest air quality monitoring networks anywhere in the country. That needs to be rolled out further, which we are doing. The clean air strategy which you are talking about is on my desk and we will be making some announcements about that in the period ahead.

**The Hon. PENNY SHARPE:** When?

**Mr MATT KEAN:** We are working through that process. Again, there are a number of big challenges in the environment space that we are working through, of which that is one.

**Ms MACKAY:** I should add that, while we have been working through what the strategy is, that has not stopped action being taken, as the Minister has alluded to. We have certainly increased and expanded the network, particularly over the summer season, given the smoke with regard to the fires. We have also improved the online availability of information. We are also doing targeted activity in terms of air quality, both monitoring and compliance, particularly with regard to power stations and mining activities.

**The Hon. PENNY SHARPE:** They have been longstanding issues. The impact of the bushfire smoke is something that is quite new.

**Ms HAWYES:** The commitments under the clean air strategy about air quality monitoring itself have been met, so we can talk about that this afternoon.

**The Hon. PENNY SHARPE:** Yes, that is right. Minister, when did you get a copy of the clean air strategy?

**Mr MATT KEAN:** The clean air strategy?

**The Hon. PENNY SHARPE:** When did you get the draft?

**Mr MATT KEAN:** The draft copy? That has been in the works of government for a number of years.

**The Hon. PENNY SHARPE:** When did your office get it?

**Mr MATT KEAN:** I do not have the exact date.

**The Hon. PENNY SHARPE:** You can take it on notice if you need to.

**Mr MATT KEAN:** I can take that on notice.

**ANSWER:**

On 15 May 2019, the Environment Protection Authority forwarded a draft Clean Air for NSW policy framework to my office.

**The CHAIR:** On hazard reduction burns, I understand the National Parks and Wildlife Service would be looking at drawing up some plans for burns for the autumn period. Is that correct?

**Mr MATT KEAN:** Yes, there is ongoing planning within national parks as to how we manage our land, and hazard reduction is part of the suite of measures that we use.

**The CHAIR:** I understand that there are potential burns being planned around big areas that contain core koala habitat and koalas. Is that correct?

**Mr MATT KEAN:** These are matters for the department. They are operational matters. I am happy to hand over to Dr Fleming to provide more information.

**Mr FLEMING:** I would just say that the planning is underway. It has not been finalised as far as I am aware. I am happy to hear concerns you may have. I am happy to ensure that that is factored into the planning.

**The CHAIR:** Considering the planning is still underway, that is a very good thing, but what is being done in the planning stage to avoid the impacts on wild life? The last thing I think the people of New South Wales, as well as the world, want to see is more charred wildlife, to be honest. What is being undertaken by the National Parks and Wildlife Service to avoid our wildlife being hit again during hazard reduction burns?

**Mr FLEMING:** It is a detailed process that the National Parks and Wildlife goes through. Obviously there is a range of objectives and a range of things that are considered. The protection of life and property is obviously important but the focus of that is in asset protection zones and areas close to urban areas, assets and so on. But we are also planning ecologically to try to get the best outcome across the landscape. That is the big picture. I can hand over to Naomi Stephens to provide you with more information.

**The CHAIR:** Has anything changed? That sounds like what we would have heard this time last year at budget estimates.

**Mr FLEMING:** What has changed is a huge percentage of the landscape has been burnt so that obviously needs to be factored into both the planning for risk management around assets but also the planning for achieving our ecological outcomes, of which koalas are one of the factors.

**The CHAIR:** Has anything changed in terms of, okay, you are going to burn this area where potentially it might be the last refuge of koala populations in that local area? I understand there are some big burns around Avon and Cordeaux Dams, for example. Is anything going to be undertaken before those burns to assess the potential impact on wildlife, including koala populations and see what can be done with those koalas that are in there before the burns are undertaken?

**Mr FLEMING:** I cannot comment on specifics but, yes, we basically go back and review the mapping, review the fire scars and review all of that data before we make decisions about where an area should be burnt. I will ask Naomi Stephens to add to that because she is closer to the operational—

**Ms STEPHENS:** I would say that we will also be reviewing the environmental impact assessments for each of our burns, which we do under the code. We always undertake a review before we approve a burn finally. But no burns have been approved. All the environmental impact assessments will be reviewed both for the areas that have been burnt and for the areas that have not been burnt to take into account those impacts and to ensure, particularly areas like refugia, species of concern are considered before any burns are undertaken.

**The CHAIR:** We can be assured that what you are saying is that the impact of the fires on particular species, and the fact that an unburnt of forest is refuge for some threatened species like koalas, will be taken into consideration in terms of approvals? That will be a factor?

**Ms STEPHENS:** Within the National Parks and Wildlife Service Estate, yes, we will be taking those things into account.

**The CHAIR:** I refer to dingoes and wild dogs. I am very aware of the Wildlife and Conservation Bushfire Recovery Plan so I do not need a lot of words on that. What scientific evidence or justification is underpinning the plan targeting wild dogs or, as we know, the majority of which are dingoes?

**Mr MATT KEAN:** I will hand over to Dr Fleming and Ms Hawyes to answer that. Obviously one of the biggest threats to the surviving native wildlife are feral pests. We need to ensure that we reduce those numbers to give our native animals the best chance of survival. The work as to how we are to do that cull has been determined by the best science and the best scientists that has been overseen by the department.

**Mr FLEMING:** I think without going into the detail there is fairly clear scientific consensus that the impact of feral animals is exacerbated by these fires.

**The CHAIR:** Can we just talk about dingoes and wild dogs. I am very aware of foxes and cats and others. My question is specifically about dingoes.

**Mr FLEMING:** National Parks and Wildlife has for more than two decades been delivering baiting programs for both wild dogs and foxes. So there is a lot of science and a lot of experience behind the decision, combined with the additional scientific advice now, that if we do not do significant and significantly enhanced feral animal control—and it is integrated control—then we will lose a lot more native animals. So we are looking at local extinctions, a much bigger impact on our native wildlife, if we do not implement comprehensive landscape scale feral animal control programs. We are doing that at various levels so it is hard to pull it apart and deal with one in isolation.

For dingoes or wild dogs, what we are doing is ensuring that the aerial baiting is targeting the interface areas—that is the areas where we have a statutory obligation to control wild dogs. We will not be baiting in some of the core, more remote wild areas. So in that way we will be avoiding impacts on wild dogs and dingoes in those locations. We are trying to get the balance right. We are taking into account the best available science but it is driven by a very, very strong conservation need. If we do not deliver landscape-scale feral animal control then the impact on our wildlife, which is already massive, is going to be much larger.

**The CHAIR:** What are you targeting in terms of wild dogs or dingoes? I understand that most of the testing that has been undertaken of wild dogs reveals that, in fact, the majority of them have greater than 75 per cent dingo within them. So we are talking dingoes. Where is the scientific evidence that it is the dingoes that are attacking the native animals as opposed to cats and foxes? What is that based on?

**Mr FLEMING:** I will have to take on notice your first point. The majority of wild dogs in the State are hybrids. I do not know the exact percentages. First of all we have a statutory obligation to control wild dogs. We are meeting that by targeting those areas where there is greatest risk—the interface with agricultural lands.

**ANSWER:**

The term 'wild dogs' refers to dingoes, feral dogs and their hybrids. There is significant genetic variability across NSW. Most wild dogs are hybrids and have been identified as a pest animal in NSW because of their impacts on livestock, especially sheep.

Under the *Biosecurity Act 2015*, land managers, including the National Parks and Wildlife Service (NPWS) have a general biosecurity duty to control wild dogs to the extent necessary to minimise the risk of negative impacts on agricultural enterprises.

NPWS will avoid baiting in key remote areas of national parks.

Aerial baiting is the only effective landscape-scale control measure for foxes in particular. Foxes are having a devastating impact on native wildlife, and their impact is exacerbated by the effect of the bushfires. The aerial baiting program has a strong conservation imperative and is essential if we are to minimise the impact of foxes in a post-fire landscape. It will be implemented in a manner that avoids any significant impact on native wildlife, and using the approach outlined above in relation to wild dogs.

**The CHAIR:** Is the statutory obligation in relation to wild animals?

**Mr FLEMING:** That is in relation to the control of wild dogs. We are getting the balance right by not baiting in the more remote areas. But again I come back to the point that this is an integrated feral animal control operation. Nobody likes having to do feral animal control, whatever form it is, but we have to do it now if we are going to save our wildlife. It needs to be integrated and it needs to be landscape scale. We are trying to put that together. I am very conscious of your concerns. The concerns that are raised are legitimate and we are doing our best to get the balance right and to avoid impacts where we can.

**The Hon. MARK PEARSON:** Minister, have you ever seen a recording of a dog or a dingo dying from 1080 poisoning?

**Mr MATT KEAN:** No, I have not.

**The Hon. MARK PEARSON:** Have you ever been advised as to what is the action and how long it takes for the animal die?

**Mr MATT KEAN:** I am aware that it is quite a painful death.

**The Hon. MARK PEARSON:** Even though I understand the balance between introduced wildlife and wildlife but because that is of such concern to so many people—and in fact 1080 has been banned in many countries because of the long, lingering death that the animal endures—would your department seriously consider looking at more humane alternatives, even as was developed federally some years ago by Dr Clive Marks, that while 1080 is being delivered, there be an enteric coat around the poison of analgesia so that the animal is, as much as possible, rendered insensible to pain and suffering as possible while the lethal action of the drug takes place?

**Mr MATT KEAN:** I think if those options are available we should absolutely explore them. I am not aware as to whether they are available at scale but if they are I certainly would like to be using that as a preference.

**Mr FLEMING:** I would just add, no-one likes doing any kind of feral animal control.

**The Hon. MARK PEARSON:** Have you watched it?

**Mr FLEMING:** I am aware of the impacts and the evidence, yes. So nobody likes doing any kind of feral animal control. Aerial baiting with 1080 in particular is our only option of really effective landscape scale control, which is urgently needed now. But I can assure you or reassure you there are a lot of people looking at alternatives, looking to develop alternatives, and we are certainly part of that. We will continue to do that. Anything you want us to look at we will do that. I do not know the details of the proposal you have mentioned.

**The Hon. MARK PEARSON:** Can you take on notice that particular issue of the work of Clive Marks? Minister, are you also aware of this disastrous situation where omnivores or carnivorous wildlife are at risk by eating the carcasses of animals that have been poisoned, such as raptors and other animals.

**Mr FLEMING:** Yes.

**The Hon. MARK PEARSON:** The 1080 poison is really not species specific, as one would argue. It is actually having an effect on wildlife. Are you aware of that?

**Mr MATT KEAN:** There is no doubt about that. As I said, there are no easy decisions following a bushfire of this magnitude. What we do know though is that feral pests present a huge danger to ensuring the survival of our native wildlife. That is why we are applying the best science and using the best scientists to develop our feral pest eradication program. Where possible, as you have heard from Dr Fleming, we will be doing that judiciously. Baiting using 1080 will be focused around the interface between national parks and landowners and not in the areas where things like dingoes can pick them up.

Notwithstanding that, and I know it is not ideal, but obviously there will be some animals, which we are not targeting, that will be hit by these measures. That is unfortunate, but we need to not make the perfect the enemy of the good here. We need to protect our native wildlife, we need to give them the best chance of recovery, and all of the evidence and advice that I have had from those qualified to give it is that we need to be taking on our feral pests and using the means that we have available. If there are other options to minimise the hurt or the harm to those feral animals, then we should absolutely use them. I will take that question on notice.

**ANSWER:**

I am advised the National Parks and Wildlife Service (NPWS) is aware of the research undertaken by Dr Clive Marks. Unfortunately, a review of his findings indicate that the proposed use of analgesics would lower the effectiveness of 1080. As a result, using the analgesic would increase the required dose of 1080 in each bait, which would in turn increase the risk to native animals. The current dose of 1080 used by NPWS does not impact native animals. NPWS will continue to evaluate the effectiveness of a range of alternative feral animal control measures.

**The Hon. MARK PEARSON:** You would concede that this whole situation where all of these animals and wildlife have died and obviously introduced wildlife have died in the fires and then one of our strategies is to cause more harm to animals, it is rather shocking, is it not, Minister? One of the ways we deal with this so-called aftermath of the fires is to kill more animals.

**Mr MATT KEAN:** As I said, it is not an easy decision but it is the decision based on the science. To give our native animals the best chance of survival we have to take out some of their predators, which include feral animals. In a perfect world would I want to be going down this path? Obviously not. But I have to listen to the science and take the advice of the experts, which is exactly what we are doing in this case.

**Mr FLEMING:** I just want to say that the best science we have is that the impact on natives is very limited, so we are very careful about that. If you have additional science we will look at it but there is no significant risk to native animals as a result of the work that we do.

**Mr DAVID SHOEBRIDGE:** Minister, I would like to go to the Empowering Homes program. The Government made a big announcement in the last budget about a proposal to have 300,000 battery systems installed under Empowering Homes. How many have been installed?

**Mr MATT KEAN:** The pilot program has just kicked off. It has focused on homes in the Hunter. The reason we have done a pilot program as opposed to just rolling out the entire program is because there are a number of risks that were identified. I do not want to take risks with consumers' bills. I do not want to take risks with safety issues. That is why we are making sure that we are limiting the program to accredited installers and providers to get it right.

**Mr DAVID SHOEBRIDGE:** Minister, is that a long way of saying there has not been a single battery installed under the Empowering Homes program?

**Mr MATT KEAN:** The program kicked off over a week ago. I have not had updated figures as to how many have been installed.

**Mr DAVID SHOEBRIDGE:** None is my understanding. There has not been a single battery installed.

**Mr MATT KEAN:** That may very well be the case.

**Mr DAVID SHOEBRIDGE:** Minister, is this because the concerns that were raised after the funding was announced in the budget have come true? There are concerns about electrocution and there are concerns about poverty traps.

**Mr MATT KEAN:** Mr Shoebridge, as you know, it was an election commitment. I did not develop the election commitment but I have been charged with implementing it.

**Mr DAVID SHOEBRIDGE:** I know you are holding the baby, so to speak. Is it because of the concerns that were raised after the budget announcement about the risk of electrocution as a result of poorly accredited installers and the issue of putting people in a poverty trap? Are they the two issues you have been working through?

**Mr MATT KEAN:** There are a number of issues that I am concerned about. We are dealing with electricity and we are dealing with consumer bills. Obviously they are the two main areas of risk. We have seen what happens when Government schemes rolled out too quickly goes wrong. You remember the pink batts scheme.

**Mr DAVID SHOEBRIDGE:** No-one could criticise this one is being rolled out too quickly. We are more than 12 months after the announcement and there is not one battery.

**Mr MATT KEAN:** I am not going to apologise for trying to get this right. As you said, I am holding the baby. There was an election commitment that was made. I am going to deliver it and I am going to deliver it in the safest way possible to protect consumers and those people working on it.

**Mr DAVID SHOEBRIDGE:** Minister, the reason that this was in the budget was meant to be one of the very few ways that the budget was addressing climate change. Would it be fair to say that there has not been a single gram of carbon dioxide saved as a result of that announcement? It has failed to do its job to date, has it not?

**Mr MATT KEAN:** I am not going to accept that. I am aggressively pursuing carbon abatement in New South Wales. In fact, I want to set New South Wales up to lead the nation when it comes to reducing emissions, which is why I negotiated the biggest clean energy deal that this State has ever seen.



**Mr DAVID SHOEBRIDGE:** Do you have revised targets for installations? How many do you expect to be done by the end of this year?

**Mr MATT KEAN:** We have some revised targets. I can provide them on notice to you, Mr Shoebridge. I do not have them in front of me. But essentially the focus will be on rolling out the pilot program and then expanding it more broadly.

**ANSWER:**

I am advised the Empowering Homes program aims to support the installation of more than 500 systems for the Hunter region this year. Up to 299,500 further systems are expected to be installed over the remaining period of the program.

**The Hon. ADAM SEARLE:** Last time we were here in the budget estimates process you were asked some questions about the 182 jobs at Essential Energy that were going to be cut. You linked the stopping of those job cuts very much to the drought. Time after time you just kept saying, "We are in the worst drought ever, therefore these jobs should be cut." Has the Government formally issued the direction to Essential? Has Essential re-hired the 62 workers who were made voluntarily redundant out of the 182? And where is all of that up to?

**Mr MATT KEAN:** Some of those questions should be directed to Essential but I will answer the ones that are relevant to me. Yes, the Government has issued the direction. I thought your contacts at Essential would be better than they obviously are, Mr Searle. We have issued the direction. The direction was due to the unprecedented conditions in the bush. Essential Energy has been operating under the terms of the draft direction, which was made available to them in August, around the time of budget estimates. They have been complying with the terms of the draft direction since that time.

**The Hon. ADAM SEARLE:** Of the 182 jobs to be cut, they had already made offers of voluntary redundancy to I think 62 workers and felt that they were obligated under the Fair Work Act to follow through with that. So I think 62 of the 182 jobs went. Has Essential re-hired 62 additional workers?

**Mr MATT KEAN:** I will let Essential talk to that. However, I will say that of the 182, obviously some of the workers did want to take a voluntary redundancy. My discussions with the ETU at the time was that it would be appropriate to allow those workers, should they have wished to take up that opportunity, to take it. That was the understanding of the union, that was the understanding of Essential and that was my understanding.

**The Hon. MARK BUTTIGIEG:** The question was, were any or all of those backfilled?

**Mr HILLIER:** In terms of the 182 identified prior to the announcement by the Minister on 20 August last year, there were 59 of the 182 who were already committed to leaving the organisation. There were another 59 where there were legal commitments made. We continued consultation with those employees and the unions and agreed that it was in the best interests of those employees who did still want to leave the organisation that they would. They all exited by 4 November 2019. As the Minister said, we have been complying with the direction since then. In terms of the numbers, there were 3,025 full-time equivalent employees at 30 June 2019. As of the end of February there were 2,973.

**The Hon. MARK BUTTIGIEG:** The question from my colleague and me was quite specific. We understand that there were pre-existing commitments and people should be, in all fairness, rightfully let go if they had plans and were under the obligations of the Fair Work Act. But the question was, given the commitment to no job cuts in regional areas, have those full-time equivalent positions been backfilled or are we still down on those particular numbers because it was too late? We understand you have let them go. The question is, have you re-employed?

**Mr MATT KEAN:** Can I just jump in for a second? You should answer the member's question directly, but the direction that has been issued, which I am happy to table here today—

**The Hon. MARK BUTTIGIEG:** Could I clarify: Is that a final direction?

**Mr MATT KEAN:** Yes, it is. I am happy to table the final direction for you, but part 5 (d) of the direction says very clearly that when conducting recruitment or engaging contractors Essential Energy is to use its best endeavours to employ or contract people in regional New South Wales in which there has been a net loss of roles since 2 July 2019 as a result of the proposed reduction of the 182 Essential Energy roles. So the

Government has made it very clear to Essential that it should backfill those. I will let Essential answer as to whether it has.

**Mr HILLIER:** As the Minister noted, the direction put a best endeavours obligation on Essential Energy. Since that point in time we have hired an additional 112 employees to fill various roles across the organisation where the requirement has arisen.

**The Hon. ADAM SEARLE:** Are those 112 frontline workers or managerial workers? What are the roles?

**Mr HILLIER:** I need to take that on notice in terms of the breakdown.

**ANSWER:**

I am advised by Essential Energy that of the 112 additional employees, 50 of them are frontline (field staff – apprentices, trainees, and fleet technicians), and 62 are non-field staff.

Non-field employees provide support such as engineering, network strategy, planning and design services and vital administrative support services such as finance, information technology, contract and property management, safety, training and other human resource services. Non-field hire between July 2019 and February 2020 included positions such as Fleet Engineer, System Operations Technical Officer, Graduate, Operations Manager and Digital Media Officer.

**The Hon. MARK BUTTIGIEG:** Do we know if they are contractors or full-time employed staff?

**Mr HILLIER:** These are full-time employees. I am not referring to temporary, I am not referring to labour hire, I am referring to full-time equivalent employees.

**The Hon. ADAM SEARLE:** On the last occasion you were asked questions in relation to the 19 July 2019 Essential Energy document, "Organisational Reshaping". That document proposes a further 500 jobs to be cut from Essential Energy between the end of financial year 2019 and the end of financial year 2024. Is Essential now proceeding to cut those 500 further jobs?

**Mr MATT KEAN:** There is a Government direction in place.

**The Hon. ADAM SEARLE:** In relation to the 182?

**Mr MATT KEAN:** In relation to the 182.

**The Hon. ADAM SEARLE:** This is the additional 500.

**Mr MATT KEAN:** You will also remember that Essential undertook to do a body of work to identify alternate sources of savings to limit job losses. That body of work I understand is still ongoing. I am yet to be updated by the CEO as to where that is at—

**The Hon. ADAM SEARLE:** Maybe they can update us now.

**Mr MATT KEAN:** I am very happy for you to take time away from me to my friend from Essential, but there is a body of work being undertaken. Obviously, the other thing that was at the forefront of the Government's considerations was the economic conditions in the bush—

**The Hon. MARK BUTTIGIEG:** Minister, could I just clarify on that point because it is relevant. Of the 500 that were projected prior to the intervention by the Government, has the Government said that is non-negotiable or is it, "Look, if you can't find the savings, you can let them go"? What is the status there?

**Mr MATT KEAN:** The Government says you should find alternate savings. It has asked Essential to see if they can find alternatives to job losses, and I think that is entirely appropriate, particularly given the conditions in the bush at the moment.

**The Hon. ADAM SEARLE:** Just to be clear, you have not given a direction to stop Essential cutting those 500 jobs.

**Mr MATT KEAN:** There are no cuts as yet. That is not a decision that the Government has had to contemplate at this point in time. If there are cuts that are officially flagged, then the Government will consider it on its merits, just like we did with this round.

**The Hon. ADAM SEARLE:** Minister, are you aware that Essential Energy is currently consulting its workforce about the installation of satellite monitoring systems in their vehicles?

**Mr MATT KEAN:** I am not aware of that, but I mean I would expect—

**The Hon. ADAM SEARLE:** Are you aware of how much that will cost?

**Mr MATT KEAN:** I would expect any employer to be consulting regularly with their workforce.

**The Hon. ADAM SEARLE:** Perhaps we could ask the Essential management if that is the case. How much is that equipment and its installation going to cost? Does that tally up to the equivalent of about 500 full-time employed staff.

**Mr HILLIER:** We are in the process of implementing in-vehicle monitoring systems. We consider the safety of our people to be our number one objective. Accidents that we are experiencing in fleet are concerning and it is one of the high-risk areas in our business. The implementation of the in-vehicle monitoring system we do see as an enabler to improve safety performance. We have been consulting with our workforce over a significant period of time. We have commenced the rollout of the devices into the vehicles from late last year. In terms of the precise cost of implementing those devices, I will need to take that on notice.

**The Hon. MARK BUTTIGIEG:** If there is no precise figure, do you have a ballpark figure of what the cost might be?

**The Hon. ADAM SEARLE:** Is it about \$11 million?

**Mr HILLIER:** It is in the order of ten.

**The Hon. ADAM SEARLE:** How many full-time equivalent staff would that equate to?

**Mr HILLIER:** I cannot answer that question.

**The Hon. ADAM SEARLE:** We can come back to it this afternoon and you can answer it then.

**ANSWER:**

I am advised by Essential Energy the initial investment for the purchase and installation of the hardware, including retrofitting to existing fleet, is forecast to be \$7 million. The estimated life of the hardware is 10 years, equating to a cost of \$0.7 million per year. This annual depreciation cost is equivalent to the cost of approximately 5 employees per year.

**Mr HILLIER:** Putting a number on the safety of our field staff is not something—

**Mr MATT KEAN:** Can I just jump in for a second? They are doing the exercise. Let them do the exercise, let us not play hypotheticals. I mean it needs to be looked at in the entire context of the operation of Essential, not just one program that they are looking at to protect worker safety. Let us not pre-empt a body of work that is currently still underway.

**The Hon. ADAM SEARLE:** It is not really pre-empting. Essential Energy has a document that it is consulting its workforce about, which says they are going to cut 500 extra jobs. It is not hypothetical, Minister.

**Mr MATT KEAN:** I accept that.

**The Hon. ADAM SEARLE:** And you have not given a direction to stop it.

**Mr MATT KEAN:** I accept that, but the point that I am making is that Essential is a big business. They have a lot of things that they invest in to improve a whole manner of things, like worker safety, efficiency—a whole range of things. Let them do that review of their entire business, not just one part of it. Who knows? This may be essential for helping to ensure that they can get more workers and protect them on the front line. Let us not create a straw man out of one program in order to get a political hit on the news tonight.

**The Hon. MARK BUTTIGIEG:** I take issue with you trivialising the issue—

**Mr MATT KEAN:** I am not trivialising the issue.

**The Hon. MARK BUTTIGIEG:** I put this to you, Minister: If you are a worker out there who has been exposed to this uncertainty for a period of 12 months or two years and there has been a government edict that

says, "Look, don't worry, we're going to protect your jobs", but the organisation continues to consult over further job cuts, the uncertainty that that creates feeds into mental health issues. I am sure you are aware of the issues in that organisation regarding people's insecure work and how that affects their attitude, their outlook and their mental health.

**Mr MATT KEAN:** Mr Buttigieg, I understand—

**The Hon. MARK BUTTIGIEG:** Timeliness is important, is it not?

**Mr MATT KEAN:** I understand the point that you are making, and it is well made, but I am not going to accept that I would ever trivialise anyone losing their job. I understand better than anyone the impact that a job has on people's mental health. What I will say is that the ETU and the members of the ETU said that members could not be happier with the steps that I have taken. That was in their press release. They said that I deserved genuine praise. I am not going to have you mischaracterise what has gone on. I accept that those workers—

**The Hon. MARK BUTTIGIEG:** They might actually say your colleague, the Deputy Premier, deserves genuine praise—

**Mr MATT KEAN:** They said that too in the ETU press release. Would you like me to read it to you?

**The Hon. MARK BUTTIGIEG:** There was a little bit of tension at the time, Minister.

**Mr MATT KEAN:** "Mr Lister congratulated Mr Kean on the intervention." They said, "Minister Kean and Deputy Premier John Barilaro deserved genuine praise for their efforts. The energy Minister's announcement provides certainty for workers." Mr Buttigieg, I am not going to have you try to rewrite history or mischaracterise the reality of the situation. I care about those workers. I care about all workers. Essential Energy has undertaken to do a body of work to see if they can find alternative means to protect those jobs.

**The Hon. MARK BUTTIGIEG:** Is that on the never-never or is there a time line for this, because people do not like the ongoing uncertainty.

**Mr MATT KEAN:** I understand that, but right now there is a direction in place protecting those 182 jobs. Obviously there have been other jobs flagged. Let us deal with them at the time when something becomes more tangible.

**The Hon. ADAM SEARLE:** On the issue of extending the life of Liddell Power Station, is it the case that one of the concerns is due to the physical safety issues? It is, I think, one of the oldest coal-fired power stations in the world. The risks to the workforce must be very significant given the age of the machinery. Is that the case?

**Mr MATT KEAN:** This is a really old piece of machinery and you have steam being pumped through the pipes at incredibly high temperatures—

**Mr DAVID SHOEBRIDGE:** It is going to be heritage listed.

**Mr MATT KEAN:** I understand that Liddell is the oldest operating coal-fired power station of its type—

**The Hon. ADAM SEARLE:** In the world.

**Mr MATT KEAN:** In the world. Even Russia has more modern coal-fired power stations than this.

**Mr DAVID SHOEBRIDGE:** I heard they were going to move the Powerhouse there.

**Mr MATT KEAN:** If you are proposing that, Mr Shoebridge, you can take that out in the public domain.

**The Hon. ADAM SEARLE:** Minister, you would accept that one of the prime concerns about extending the life—

**Mr MATT KEAN:** The point I was trying to make was that this is a very old bit of kit. As this ages, it obviously becomes more dangerous, it requires more investment in maintenance just to remain safe, let alone do its function, which is providing electricity. It is a major concern and it is one that the task force is obviously considering.

**The CHAIR:** Are you aware of the Hotspots Fire Project that is running in conjunction with the RFS and the Nature Conservation Council?

**Mr MATT KEAN:** Yes, I am.

**The CHAIR:** So you are aware that it has been going for 15 years and it works with landholders across tenure but largely for high conservation value land as well as land of Aboriginal cultural value. I understand after

speaking with a range of people in relation to the hotspots program that particularly since the bushfires there has been an increase in demand for those workshops that they run across the State. Have you been informed of that?

**Mr MATT KEAN:** No, I have not.

**The CHAIR:** Apparently there are a lot of people out there now that want to have hotspots on their property, working with a range of different stakeholders and they do the mapping in terms of the property burn map. On the second day of the workshop they undertake an ecological burn, if you like, often with traditional owners of the area. Would that be something that you would look at supporting within the budget? I know that the RFS gives it a very small amount every year. I think the environment department used to and I don't think they do anymore. Is that something that you see would be worth supporting given it has extremely good feedback from the landholders that do the program?

**Mr MATT KEAN:** Yes. I met with the fire chiefs. I was very happy to meet with the fire chiefs. That was one of the things that they said was a practical example of what we could do to reduce the impact of bushfires on the ground or to limit the impact that bushfires might have if they eventuated. I think it is a great program and it has endorsement not from politicians, from experts who actually do this stuff, so why not?

**The CHAIR:** Great. Another thing in terms of expenditure, I know you are aware of the Mount Gilead project, particularly that population of koalas in that part of the world. If they were pretty important before this season's bushfires, they are probably a lot more important now in terms of koala populations across the State and the habitat there. Have you allocated any funding for the potential acquisition of land in that area to ensure that that koala population survives what is going to be a pretty devastating hit of development in terms of Mount Gilead?

**Mr MATT KEAN:** Let me tell you what I have done. I had the proponents of the development, Lendlease, come in to see me to tell me, "Minister, we are going to do this development without actually taking out any koala habitat or any koalas." I said, "Oh, are you now? Okay. If you can prove that to me then I'll be very excited to see this development. How about I get the chief scientist to quantify those claims?" I have asked the chief scientist to assess whether or not there will be an impact on our koalas and the koala habitat in Mount Gilead. If there is none, then great. But I suspect—I am not going to pre-empt the chief scientist's work but let us see if they come back. The chief scientist will give a great endorsement for that development if in fact they can demonstrate that there is no impact on koala habitat or those koalas. I am looking forward to that report. I have given the terms of reference to the chief scientist.

I was really pleased to see an example of all members of this Parliament come together in their commitment to protect the koala colony, including my friend who is not here today, Mr Latham, who was also part of a group that met down at Mount Gilead and expressed concerns about the development and the impact on that unique koala colony. I will be looking forward to keeping the House up to date with where we are at with that.

**The CHAIR:** The chief scientist will engage an independent ecological consultant to have a look at that area, is that what you are suggesting?

**Mr MATT KEAN:** I do not know how the chief scientist is going to conduct his work but I have set out terms of reference for the chief scientist which I am very happy to make publicly available.

**ANSWER:**

I am advised that the NSW Chief Scientist and Engineer will prepare the report after consulting a range of experts and considering all available information. The terms of reference are attached at the end of this document.

**The CHAIR:** That would be good, thank you.

**Mr MATT KEAN:** He will then assess this proposal against it and I await the findings of that. That will form the basis of the decisions that I make around this project.

**The CHAIR:** It is very good to hear. Rainforest restoration: This wildlife and bushfire recovery plan, the short-term one. Firstly, when is the medium-term one coming out?

**Mr MATT KEAN:** That is still being developed. I do not have an exact timetable on that. I am happy for the department to give you an update as to how it is tracking.

**Ms MACKEY:** We have certainly started the work on that. We are just waiting for a couple of things to happen. First of all, as I mentioned before, the on ground truthing to happen with regard to the impact piece. That is work that science is progressing. We have already had a range of engagements with a number of experts. Ms Hawyees can talk about the number of experts that were involved with the development of that. We are certainly on track to do something in the next while.

**The CHAIR:** With the expert stuff, and I am so sorry to do this again, but let us wait until the afternoon. The 54 per cent of Gondwana Rainforests World Heritage area that your document acknowledges has been burnt, what is the department's plan to restore that rainforest as much as possible?

**Mr MATT KEAN:** Thanks to your questioning at last year's estimates I made sure that there was a plan included to look at the Gondwana Rainforests. I will hand over to Dr Fleming or Mel Hawyees.

**The CHAIR:** I am happy to hear it now actually.

**Ms HAWYES:** Obviously in the aftermath of the fires the focus was on immediate action. Since that time we have engaged with various groups with expertise, which I can detail more this afternoon, including Federal colleagues, the threatened species committee—a range of experts as you would expect. We have run a series of workshops with these different people with expertise in order to inform our thinking about what the next wave of recovery needs to be. There are works underway to assess the impacts in rainforest areas, in particular in areas that do not have fire-adapted species. That is all being used to inform what needs to be the priority for the next wave of planning and action.

**The CHAIR:** Do you envisage a wide scale biodiversity restoration program given the scale of what we lost? It is a different type of activity for national parks, but are you contemplating that kind of recovery or rescue effort?

**Mr MATT KEAN:** Yes, but I will be guided by the experts. I will be guided by the science. I want to give our natural environment the best chance of recovery. I will be guided by the experts and the science.

**The Hon. MARK PEARSON:** I have one question: Minister, the community has expressed concern that because of the seriousness of what has happened over the last eight months or so that fire services should not be in the main voluntary. Are you aware of that? Firefighters, in the main it is a voluntary service.

**Mr MATT KEAN:** I am aware that the RFS is a voluntary service, yes.

**The Hon. MARK PEARSON:** Are you aware also that the community is now making statements and expressing concerns that really it should not be in the main voluntary; it should be a government department or funded by the Government directly?

**Mr MATT KEAN:** I am not aware of that at all. I am a member of the RFS myself. Members of the RFS do not do it for money; they do it because they care about our environment, they care about people, they care about properties and they want to do their bit. My community loves the Rural Fire Service. People do not join because they are getting paid. People join because they are making a contribution. They are doing some community service and making a difference. I could not be prouder of the many fine men and women who volunteer their time to protect the rest of us.

**The Hon. MARK PEARSON:** I am not suggesting that they do not contribute in that way but because of the severity of the fire season, does you not think it is time that we put in place a firefighting service and other related requirements in a government-funded body?

**Mr MATT KEAN:** There are government-funded firefighting services. I oversee the third largest in the State of New South Wales and that is in the National Parks and Wildlife Service. We have got over 1,200 trained firefighters available to us; they are paid. In fact, on average during this bushfire season, every day we had 300 of those paid New South Wales National Parks and Wildlife Service firefighters out there on the front line. There is obviously Fire and Rescue NSW, there is the paid staff of the RFS, but the backbone of the RFS are the very fine men and women who volunteer their time to keep the rest of us safe. I will continue to support their involvement as it is.

**Mr DAVID SHOEBRIDGE:** Minister, the numbers of firefighters. You would have seen repeated reports about the significant reduction of firefighting personnel in national parks. Can you give us the numbers

going back over the last four years of the number of firefighters in national parks? And on notice can you provide the numbers going back to 2010?

**ANSWER:**

These figures were tabled during the hearing.

**Mr MATT KEAN:** I can table the numbers for you, Mr Shoebridge. But for your benefit, in terms of trained firefighters, people trained to fight fires in the National Parks and Wildlife Service that could be called on in 2019-2020, I believe we have 1,067 who are qualified. Is that correct?

**Mr FLEMING:** Qualified, and all of their accreditation is up to date.

**Mr MATT KEAN:** Is that available, compared to over the last four years did you say?

**Mr DAVID SHOEBRIDGE:** Yes.

**Mr MATT KEAN:** So from 2015-16 there were 1,063.

**Mr DAVID SHOEBRIDGE:** How many people employed as firefighters—not trained but actually employed—whose primary job is firefighting, which is the key question that people ask, not just the people who have got the ticket but people whose job it is?

**Mr MATT KEAN:** I do not have those figures in front of me. I am happy to table that. Do you have them?

**Mr FLEMING:** Well, it is a core responsibility for all of those people.

**Ms MACKEY:** Parks does not go out to employ firefighters. Parks employs a range of staff where part of their role description is the work around fires. So it is not appropriate to say we have X number of firefighters in that way.

**Mr DAVID SHOEBRIDGE:** Minister, as this catastrophic fire season was looming—and it was highly predictable—what, if any, representations did you get from the National Parks and Wildlife Service about additional resources for firefighting? Did you grant every single request for additional firefighting?

**Mr MATT KEAN:** I will have to take that on notice. I cannot recall a specific request for additional firefighters from the National Parks and Wildlife Service. I am not going to rule that out, but I cannot recall a specific request.

**ANSWER:**

I can confirm that in the lead up to the 2019/20 bushfire season no request was submitted to me by the National Parks and Wildlife Service seeking resources for extra firefighters.

**The CHAIR:** Order!

**Mr DAVID SHOEBRIDGE:** But did you seek a review? We all saw it coming. Did you ask for a review?

**Mr MATT KEAN:** What I asked for was an update on the preparedness of the National Parks and Wildlife Service for the bushfire season. They had plans in place in terms of hazard reduction. They have got targets. They had in fact not only met the targets for the year that I had been the Minister; they had exceeded them. What I am concerned about, given the impact of extreme weather events creating the conditions for bushfires, is making sure that we do have the resourcing going forward. That is exactly why the Premier has inserted in the terms of reference for the independent review coming up resourcing in the context of bushfires. I will wait for that report to come down and I will respond in the usual manner, Mr Shoebridge.

**Mr JUSTIN FIELD:** Minister, the recently released *NSW Forestry Snapshot Report 2017-18* showed that the EPA gave an official caution to the Forestry Corporation for non-compliances at the Mogo State Forest—one related to leaving harvesting debris on the forest floor. This is a really common concern raised in compliance

audits. I was just down with the South Durras community. They are campaigning to get the Forestry Corporation to clean up debris on the forest floor just adjacent to the one area of the Murramarang National Park that was not burnt over the summer. Two questions: Are you aware of the increased fire risk associated with leaving debris on the forest floor? Will you speak to your good friend John Barilaro about directing the Forestry Corporation to clean up their mess?

**Mr MATT KEAN:** I am aware of the latest science. I read some stuff by David Lindenmayer recently, who has said that leaving debris on the forest floor can increase the conditions for bushfires. Will I speak to the Deputy Premier about that issue? Of course. I speak to the Deputy Premier about a range of issues. You usually read about it in the newspaper. So I will continue to do that.

**The Hon. PENNY SHARPE:** That is how we find out.

**Mr JUSTIN FIELD:** Thanks, Minister.

**The CHAIR:** Thank you. That is the end of this round of questions. We will break for lunch. We had a discussion earlier about the Minister returning for one more hour between 1.40 p.m. and 2.40 p.m., which is very kind of the Minister. We will break for lunch and come back at 1.40 p.m.

**(Luncheon adjournment)**

**The CHAIR:** Welcome back everyone. We will commence the afternoon session.

**Mr MATT KEAN:** Can I table a response on firefighter numbers now?

**The CHAIR:** You can.

**Mr MATT KEAN:** How do I do that?

**The CHAIR:** The secretariat staff will get that off you.

**Mr MATT KEAN:** It is a response to Mr Shoebridge's question.

**The CHAIR:** Let's begin and continue with questions from the Opposition.

**The Hon. ADAM SEARLE:** Minister, just to be clear about the Essential Energy direction, you said it has been made formally?

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** Is it to be published today in the *Government Gazette* or has it already been published? It is not legally effective until published.

**Mr MATT KEAN:** Can I refer that to my Secretary to confirm?

**The Hon. ADAM SEARLE:** Of course you can. It is not a trick question.

**Mr BETTS:** I will have to take that offline to confirm that and I will see if we can come back to you.

**Mr MATT KEAN:** I have it here in front of me and I am happy to table it.

**The Hon. ADAM SEARLE:** Let's do that.

**Mr LEWIS:** Under the legislation there is no requirement for the direction itself to be published. There is a requirement for the Minister's reasons for issuing the direction to be published and that is four weeks from the date of issuing the direction.

**Mr MATT KEAN:** Notwithstanding that, I am happy to table it.

**The Hon. ADAM SEARLE:** That is great. Does it have the date on it?

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** Excellent. Minister, you have supported an interim emissions reduction target for 2030 of about 35 per cent. Is that the Government's position or is that a position that you are working towards?

**Mr MATT KEAN:** I am not sure that it is fair to say that I have officially supported a target of 35 per cent.

**The Hon. ADAM SEARLE:** You have been all over the media like a rash on the issue.



**Mr MATT KEAN:** My recollection of those media articles is that they speculated that "Minister Kean may be interested in seeing stronger targets around emission reductions". But I am not going to confirm what they may or may not be today. You will just have to wait until I make that announcement.

**The Hon. ADAM SEARLE:** On Monday Minister Marshall said that the Government did not have a formal position on that issue as far as he knew. As a fellow Cabinet Minister he would know, would he not?

**The Hon. BEN FRANKLIN:** We do not have a formal position at this stage. It has not been announced.

**Mr MATT KEAN:** I have not announced anything. But as my Parliamentary Secretary for Energy has pointed out—

**The Hon. PENNY SHARPE:** We know what the view of the member for Upper Hunter is.

**The Hon. ADAM SEARLE:** Yes, we do.

**Mr MATT KEAN:** I heard him say that he supported taking strong action on climate change the other day. I fully endorse that position.

**The Hon. ADAM SEARLE:** I think he wants a nuclear reactor for his electorate.

**The Hon. PENNY SHARPE:** Unlike the member for Manly.

**The Hon. ADAM SEARLE:** Minister, you have charged the Chief Scientist and Engineer with coming up with a road map for decarbonising the economy. Is that correct?

**Mr MATT KEAN:** That is correct.

**The Hon. ADAM SEARLE:** He was due to give you an interim report by the end of January.

**Mr MATT KEAN:** That is correct.

**The Hon. ADAM SEARLE:** Has he provided that interim report?

**Mr MATT KEAN:** Yes, he has.

**The Hon. ADAM SEARLE:** Will you make that public?

**Mr MATT KEAN:** Yes, I will.

**The Hon. ADAM SEARLE:** When will you make that public?

**Mr MATT KEAN:** As soon as possible, very shortly, weeks not months. It is very good. It will also require additional work. Basically I asked the chief scientist to identify opportunities for New South Wales in a low-carbon economy where we would have a competitive advantage internationally. He has identified a number of areas. Those areas are very exciting for us. I have asked for further work to be done to flesh out what exactly those opportunities look like. But yes, I will release the interim report imminently.

**The Hon. ADAM SEARLE:** Your Government campaigned on a pre-election policy of developing three renewable energy zones across New South Wales. In the relatively recently signed memorandum of understanding [MOU] for a New South Wales energy package that your Government signed with the Commonwealth, there is reference only to the Central West energy pilot 3,000 megawatt zone. What is the time frame for achieving the Central West zone and have you abandoned the other two?

**Mr MATT KEAN:** No, we have not abandoned the other two. As part of the agreement that you have in front of you, we got the Commonwealth to agree to underwrite the infrastructure required to bring the first one online in the Central West. We are currently working on getting the funding to be able to bring another one of the renewable energy zones online by the end of this term of office. I will release a plan that will demonstrate the time line for all three.

**The Hon. ADAM SEARLE:** What is your conception of the zone? Is it basically to move away from the national energy rules or is it a planning instrument? What is the zone that you are speaking of? Are you building 3,000 megawatts of renewables?

**Mr MATT KEAN:** The biggest challenge that we face is modernising the network to ensure that with the development of wind and solar farms they are actually able to sell their product to the market. We need to build the transmission and the infrastructure to make that happen. What I envisaged around what the area will be is an area whereby those projects can go ahead and we will build the transmission infrastructure to bring that product to market.

**The Hon. ADAM SEARLE:** Around the project?

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** What is the time frame for achieving the 3,000 megawatt Central West zone?

**Mr MATT KEAN:** I can give Mr Hay the opportunity to provide specific details but we hope to begin construction within this term of Government on the first one. I will hand over to Mr Hay to give you a more detailed answer.

**Mr HAY:** The renewable energy zones are about the coordination of generation and transmission investment. The Minister has referred to the transmission investment, which is critical to that. The target is to have that transmission shovel ready by the end of 2022. The coordination process to get generation commitment will commence shortly.

**The Hon. ADAM SEARLE:** Thank you for that. Last time we had estimates there was a discussion around what the Government was going to do to ensure the supply of coal to stations like Mount Piper. It is also referenced in clause 10 of the MOU with the Commonwealth. What exactly are you proposing to do, or is it just additional words in the MOU? What are you going to do in the future that you have not done in the past to ensure the supply of coal to Mount Piper?

**Mr MATT KEAN:** There is a threat to the supply of coal to Mount Piper. The Springvale mine, which it currently relies on, has basically been providing coal that is not up to scratch for running that power station. Energy Australia has engaged with me, as have the coalminers themselves. They are looking at other sources to access, including at Angus Place, which is one of the mines that they abandoned. As you can see in the MOU, we have undertaken to use our best endeavours to ensure that there is enough coal to keep the Mount Piper Power Station going until the end of its technical life—which is scheduled for 2042—should it be required. We will use the means we have available to us to facilitate that, notwithstanding that it will still have to go through the proper approval process pathways.

**The Hon. ADAM SEARLE:** I understand but what concrete actions are you considering?

**Mr MATT KEAN:** We are considering ensuring that we facilitate the coal company, Centennial Coal, to be able to access other coal deposits to ensure that the power station can continue to rely on that coal supply until 2042.

**The Hon. ADAM SEARLE:** You mean Angus Place, for example?

**Mr MATT KEAN:** Correct.

**The Hon. ADAM SEARLE:** Is that what that refers to—coal deposits in the locality?

**Mr MATT KEAN:** Correct. The Angus Place deposit is the obvious one. That is what Centennial Coal has put to me. It obviously wants some certainty around accessing that coal and we will help make sure—going through the proper process—that it is able to access that.

**The Hon. ADAM SEARLE:** In relation to what the MOU says about emissions, it says that the New South Wales energy market is on track to meet a 26 per cent reduction by 2030. The MOU also says that in the State of New South Wales emissions have fallen by 18 per cent but that that will plateau under the current policy settings.

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** That is a long way short of 35 per cent or some other figure. You have also said that the energy market is on track to meet its target, but I think last year you also said that in your emissions reduction strategy you would want to exclude agriculture from any arrangement. Is that still your position?

**Mr MATT KEAN:** What our position is that we need economy-wide emissions reduction targets. We think we have got a clear pathway to be able to ensure that we hit our targets in the grid, but obviously there needs to be a pathway to reduce emissions in all sectors of the economy, including agriculture. What my focus is, and what the focus of the MOU that you have got and the deal that we did with the Commonwealth was, to provide a way for the agriculture industry to reduce its emissions but in a way that does not put costs onto farmers, does not kill jobs in the agriculture sector—in fact, grows them—and sets the agriculture sector up for success in the future.

**The Hon. ADAM SEARLE:** The interim report from the chief scientist is going to be released hopefully in a matter of weeks. What is your time frame for any final report or advice from the chief scientist?

**Mr MATT KEAN:** That is an ongoing body of work. As I said, there is an interim report and that will catalyse additional work to be done to flesh out those areas of opportunity that we identified. We see huge areas of opportunity. From what I have seen so far from the chief scientist, there are huge opportunities in the agriculture sector in a low-carbon world. It is not getting to zero emissions; it is net zero emissions. So there is still going to be carbon in the atmosphere that will need to be abated, and our agriculture sector is well placed to take advantage of new revenue streams through the use of soil, planting trees, changing the feedstock that is provided to animals. A great agricultural Minister recently wrote an op-ed I read—Niall Blair, who was on this Committee last year—that said exactly that: It is not a threat to agriculture; it is a huge opportunity and we should be grabbing it.

**The Hon. ADAM SEARLE:** The MOU also talks about the allocation of \$1 billion to New South Wales based projects to be financed by the New South Wales Government. Where is that \$1 billion going to come from? Are you going to take it out of the Climate Change Fund or are you going to finance it through general government revenue?

**Mr MATT KEAN:** We will use the Climate Change Fund to achieve what the Climate Change Fund has been set up to do, which is reduce carbon emissions.

**The Hon. ADAM SEARLE:** It is \$1 billion over 10 years. That is \$100 million a year, presumably. Is all of that coming out of the Climate Change Fund?

**Mr MATT KEAN:** We will be reallocating or repurposing. In the next round of the Climate Change Fund we will be repurposing the vast majority of that fund for the purposes of reducing carbon emissions and hitting the targets that we are setting.

**The Hon. ADAM SEARLE:** My question specifically is about this \$1 billion fund referred to at point four under "Agenda" on page 10 of the MOU.

**Mr MATT KEAN:** I do not have the MOU in front of me. There are three value streams. There will be \$1 billion in different forms: grants, underwriting, support from the Commonwealth—\$1 billion in underwriting from the Commonwealth, or thereabouts—and \$1 billion from New South Wales through the Climate Change Fund.

**The Hon. ADAM SEARLE:** So it is through the Climate Change Fund. The emissions intensity reduction fund that you refer to in the MOU, is that part of the \$1 billion and is that also coming out of the Climate Change Fund?

**Mr MATT KEAN:** The MOU, as I said, has around \$3 billion worth of value that will accrue to New South Wales, \$1 billion of which will come out of the Climate Change Fund and \$1 billion of which will come from the Federal Government funding sources and \$1 billion will come from Federal Government underwriting. But I am happy to hand over to Mr Hay for further details.

**Mr HAY:** The substantial portion is coming from the Climate Change Fund. We are working also with the Coal Innovation Fund and other funds that are a part of that to make up the New South Wales contribution.

**The Hon. ADAM SEARLE:** The first question is: Is the full \$1 billion of the New South Wales Government commitment to be financed—

**Mr HAY:** Sorry?

**The Hon. ADAM SEARLE:** The New South Wales Government has committed to funding \$1 billion as part of this arrangement with the Commonwealth. The question is, and I think the Minister answered this: Is all of that money coming from the Climate Change Fund? I think you said a substantial proportion.

**Mr MATT KEAN:** Why do I not table the breakdown for you?

**The Hon. ADAM SEARLE:** That would be good.

**ANSWER:**

I am advised the funding breakdown is as follows:

- Climate Change Fund: \$940 million

- Coal Innovation Fund: \$70 million
- Total: \$1,010 million

**Mr MATT KEAN:** Is it table or —

**The Hon. ADAM SEARLE:** Take it on notice. Page 11 talks about the New South Wales Government agreeing to allocate some money to New South Wales based emissions reduction initiatives, but it says, "financed through the Climate Change Fund and the Coal Innovation Fund". What is the proportion to come out of each of those?

**Mr HAY:** The Coal Innovation Fund is at a relatively small amount of that; it is sitting around about \$70 million, but some of it is committed. The Coal Innovation Fund would be in the order of \$50 million.

**The Hon. ADAM SEARLE:** How is it envisaged that that money would be applied? What is it going to be spent on?

**Mr HAY:** It is too early to say. The usual areas will be explored, like carbon capture and storage and those sort of—

**The Hon. ADAM SEARLE:** Carbon capture and storage technology?

**Mr MATT KEAN:** Can I just jump in for a second? This is a matter of policy for the Government.

**The Hon. ADAM SEARLE:** Of course it is.

**Mr MATT KEAN:** I will be making an announcement very shortly as to how we will allocate that full amount of money and value. I am not going to announce it here today, for obvious reasons, but we will give you a detailed breakdown of where every dollar comes from and how every dollar will be spent and how we will reduce our emissions in New South Wales.

#### Answer

I am advised the funding breakdown is as follows:

- Climate Change Fund: \$940 million
- Coal Innovation Fund: \$70 million
- Total: \$1010 million

I am advised the expenditure breakdown is as follows:

- Emissions Intensity Reduction Program: \$450 million
- NSW contribution to joint Commonwealth initiatives: \$560 million

**The Hon. ADAM SEARLE:** In relation to the Liddell Taskforce, and I think we discussed that further, I was exploring with you questions of whether the chief opposition from, say, the AGL perspective but also from other stakeholders to trying to extend the life of Liddell, was due to the threats to worker safety. Is that something you can explore further here today with the Committee?

**Mr MATT KEAN:** It is a major concern that I have. As you know, I was the former Minister responsible for work health and safety in New South Wales and workers' safety is something I take very seriously. I think it is a fundamental consideration as to whether or not we extend Liddell with regard to the impact that that extension could have on workers' safety. What I have been briefed is that this is a very old piece of plant and that it requires a lot of maintenance just to keep workers safe. I do not want to see anything done that would risk workers' safety in New South Wales, and that includes the extension of Liddell if that is the case. This is a key consideration for the task force, this is a key consideration for me as the Minister, but I do not think it is appropriate that an extension be made if it is going to put workers' lives at stake.

**The Hon. ADAM SEARLE:** Pardon me if you have already covered this, but you would rule out the use of any New South Wales Government funds to extend the life of Liddell?

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** In relation to the gas component of the MOU, each of the three pathways appear to be quite challenging. There is the Narrabri project, which I think has not yet been referred to the IPC; there is the Port Kembla import terminal, which I think has partial planning approval; and then there is the proposed Newcastle import terminal, which has no planning approval. Are they the only pathways to increased gas supply in New South Wales that you are aware of?

**Mr MATT KEAN:** We have agreed to try and reach a target of 70 petajoules of gas. The terrible penalty if we do not reach that is that there is a review in 2022.

**The Hon. ADAM SEARLE:** I noticed that that is shocking.

**Mr MATT KEAN:** But we have identified three obvious pathways to achieve those objectives. The obvious one is the import terminal at Port Kembla, which has planning approval. I am happy to get some advice as to where exactly that is in terms of its status.

**The Hon. ADAM SEARLE:** If you have got that handy, otherwise I think we can explore that a week today.

**Mr BETTS:** We might just check the status of the planning approval.

**ANSWER:**

I am advised the Port Kembla Gas Terminal project was declared Critical State Significant Infrastructure (CSSI-9471) and received approval from the Minister for Planning and Public Spaces on 24 April 2019.

In November 2019, the Proponent submitted a further application seeking to modify the approval given by the Minister for Planning and Public Space approval (SSI-9471-Mod-1) to increase capacity. The Department of Planning, Industry and Environment approved the modification, with conditions, on 16 April 2020

Information about the Project and proposed modification is available on the Planning Portal at <https://www.planningportal.nsw.gov.au/major-projects/project/25811>.

Further questions should be directed to the Minister for Planning and Public Spaces.

**Mr MATT KEAN:** But we can hit the target without Narrabri, is the point I think you are trying to make.

**The Hon. ADAM SEARLE:** Indeed. Do you have any intelligence or any updates on where the import terminal proponents are at in terms of making a firm commitment on an investment decision in the sense that there seems to be sort of a persistent rumour that they are struggling to sign up customers, presumably because they cannot make a guarantee of gas supply at cheaper than existing prices?

**Mr MATT KEAN:** I have not had any update on that.

**The Hon. ADAM SEARLE:** I wonder if you could come back on the planning approval side. In relation to the Government's existing part ownership in relation to Ausgrid and Endeavour, can you rule out attempting to sell the remaining portion of the Government's interest in those two bodies?

**Mr MATT KEAN:** I am not aware of any plans of the Government to sell either of those assets.

**The Hon. ADAM SEARLE:** I am just asking you as a matter of policy whether you rule it out.

**Mr MATT KEAN:** I am not aware of any plans. I am not going to play hypothetical games. I am not aware of any plans to do any further privatisations of those two assets.

**The Hon. MARK BUTTIGIEG:** Minister, you do recall the Treasurer floating this in the media last year about the possible further sale of assets including electricity?

**Mr MATT KEAN:** I am not aware of any plans to further privatise Ausgrid or Endeavour. If there is a proposal that comes forward, then I am sure it will be considered on its merits but I am not aware of any such proposal at this point in time.

**The Hon. ADAM SEARLE:** In relation to the implementation of the chief scientist's report on coal seam gas, you are aware that there was originally a Legislative Council committee inquiry?

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** There were two aspects, in particular, that fell into your portfolio. There was recommendation nine about enhanced insurance arrangements. In relation to that, the committee found that it had not been implemented. I think it was your agency—the Environment Protection Authority—that did a body of work and produced this document not long after the EPA personnel appeared at the inquiry. Leaving aside the issue of environmental risks, one of the fundamental concerns that emerged in that inquiry and previously was the lack of insurance available for affected landowners. There simply was not any insurance. At page 7 the EPA document states:

The local Australian insurance market is less willing to provide these products than at the time of the Chief Scientist and Engineer's review.

In terms of all of my investigations of this issue over five years, no insurance product has ever been available to people in New South Wales to insure against this risk. Where does the EPA get the information for that assertion?

**Mr MATT KEAN:** I am not aware where it got that information. I am happy to hand it to the chair of the EPA but what I will say is that recommendation four and recommendation nine are two of the outstanding recommendations. I will be looking forward to making an announcement on them very soon.

**The Hon. ADAM SEARLE:** I will come back to that.

**The CHAIR:** Minister, do you think that 2020 will be the year that the koala is listed as "endangered" in New South Wales, an increased risk from "vulnerable", as a result of these fires?

**Mr MATT KEAN:** My understanding is that the threatened species advisory panel is looking at exactly that. There have been a number of requests for it to do so. I will let the experts make those decisions; they are best placed to do so. I look forward to seeing what they come up with and respond accordingly.

**The CHAIR:** What is the difference between "vulnerable" and "endangered"?

**Mr MATT KEAN:** Obviously it has a higher level of protections if it is listed as "endangered" than it does as "vulnerable". It is currently listed as "vulnerable". But, as I said, there is a body of work being undertaken by the appropriately qualified experts to determine whether or not, as a result of these bushfires, the status of the koala should be lifted.

**The CHAIR:** If, for example, the koala is listed as "endangered", as I understand a number of organisations have called for—given the numbers we have heard today and over the past few months, it is potentially the case it will be—exactly what does that mean for the protection of koala habitat? What koala habitat is not cleared, for example, as a result of the listing of the koala as "endangered"?

**Mr MATT KEAN:** Sorry?

**The CHAIR:** What greater protection does the koala receive? You said it received greater protection if it is listed as "endangered". For example, does that mean that certain habitat for the koala can no longer be cleared?

**Mr MATT KEAN:** I think Sharon Molloy is placed to answer that question.

**Ms MOLLOY:** Probably Ms Hawyes is.

**Ms HAWYES:** There are a range of protections that can be applied in different contexts. We can talk through changes that are underway with the set process right now. There is, as you would know, from the koala inquiry a great deal of work going on to try to protect koalas. That includes habitat acquisition works. There are a range of different strategies to prevent further declines of koalas.

**The CHAIR:** There are a lot of members of the public who are campaigning for the koala to be listed as "endangered" instead of "vulnerable" within the State's threatened species framework. This listing does not really protect any more vegetation or habitat, though, for koalas, does it? If you are a member of the public, what does that do if they are listed as "endangered"?

**Ms HAWYES:** That status creates penalties if you harm the animal and that exists in its own right. There are greater thresholds of protections that might be applied, given that enhanced status, through the planning system, through the declaration of core koala habitat and other sorts of habitat protection. But in and of itself, there are actual protections to animals in that species in terms of the penalties that are applied if you harm that species.

**The CHAIR:** Would it make a difference, Minister, if the koala were listed as "endangered"? Would it make a difference to the work that you are doing now over the next few months in terms of trying to find more habitat for the koala? You are talking about trying to find more unburnt refuges, for example.

**Mr MATT KEAN:** Not necessarily. I want to do everything I can at the moment to protect our koalas. That is what my focus is. I understand the biggest issue around the survival of our koalas is the loss and fragmentation of their habitat. To that end, I am focusing on increasing the footprint of our national parks and focusing on core koala habitat; rolling out our koala strategy, which is the \$44 million strategy, which has a range of things to protect koalas; and looking for other opportunities to ensure greater protections. Last week the Government released the updated State Environmental Planning Policy No. 44, which means that there are greater protections when councils actually undertake the work to develop a koala plan of management. My only wish is that councils will actually get out of their way and do what the community expects them to do—that is, put the protections in place at the local level to protect our koalas.

**The CHAIR:** I think that is a bit of passing the buck, really, Minister, with respect. I understand that councils need to come up with \$150,000 roughly to do these koala plans of management and that, in fact, some of the hold-up has been with the planning department as well in terms of approving those plans.

**Mr MATT KEAN:** Councils have to come up with money to collect rubbish. They have to do a whole range of functions. That is why they have a rate base. They should prioritise what is important in their communities. I believe koalas are important in communities, whether they be in Sydney or across New South Wales. Five councils—

**The CHAIR:** Are you not giving them any more additional funding to undertake that work if it is so important to you? If you know that the protection of koalas, as you are saying, is now potentially resting at the local level, will the department provide funding to councils to undertake that work to make sure it gets done?

**Mr MATT KEAN:** Ms Faehrmann, I think you know as well as I do that if funding was the only roadblock to councils getting out of their way and doing their actual job, then that would be an easy fix, but the reality is that a lot of these councils do not want to do what the community expects of them. I would say to people who are going to vote in the upcoming local government elections: Vote for a candidate who is going to protect the koalas, protect the amenity of their suburbs and actually look after the public interest.

**The CHAIR:** Minister, if you do not have faith in all of the councils, therefore, doing these koala plans of management—you know they will not; you have just admitted it—why then are you telling this Committee that that is where the majority of their faith—we can rest our faith in local government to ensure that habitat is not cleared? You have just admitted that they are not going to do that.

**Mr MATT KEAN:** Ms Faehrmann, I am not the planning Minister. There are different responsibilities of different levels of government. Local council has a responsibility and that is to make decisions that most affect the communities in which they are there to serve. They are best placed to understand the impact of koala populations in local communities. I am very interested to see The Greens, the defenders of local democracy, here today saying that they do not want to allow local councils to make decisions about what happens in their communities. I think that local councils are best placed to make these decisions. They are being given all the tools to do them. They should get on with the job and make it happen.

**The CHAIR:** Clearly, for the record, I did not say that local councils should not do koala plans of management. It is just that the State Government also has a role.

**Mr MATT KEAN:** Sure.

**The CHAIR:** Speaking of which, the Federal Government undertook that quick survey after the fires and identified the 113 species listed as "threatened" or "in trouble". The Federal Minister for the Environment basically said as a result of that, two priority actions came out of that. Do you know what I am talking about? I am talking about the 113 species that were assessed at the Federal level, including the long-nosed potoroo in New South Wales, the Hastings River mouse and a range of different other species.

The two actions that the Federal Government or Sussan Ley's department said that need to be undertaken were, one, rapid on-ground surveys to establish extent of population loss and provide a baseline for ongoing monitoring—which I understand is happening, based on feedback—and, two, protecting unburnt areas within or adjacent to recently burnt ground that provide refuge, as well as unburnt areas that are not adjacent to burnt areas, especially from extensive, intense fire. Is that being undertaken in areas outside national parks? What is being undertaken to protect those unburnt areas as refuges for these threatened species?

**Mr MATT KEAN:** I am responsible for what happens on national parks. I am aware that the NSW National Parks and Wildlife Service is doing a very good job in terms of implementing those things you talked about.

**The CHAIR:** But also private land, for example, Minister. Obviously, you are responsible for threatened species across the board, not just within national parks. Is that correct?

**Mr MATT KEAN:** Yes, of course, but you were asking me to comment on what actions the NSW National Parks and Wildlife Service was taking.

**The CHAIR:** It was not national parks. Sorry, I was referring to your entire portfolio as threatened species and wildlife Minister.

**Mr MATT KEAN:** With regard to koalas, again, the Government has released the updated SEPP. After the last estimates, I have released the most comprehensive science-based fact base when it comes to where koala habitat is and where koalas are. I have provided all the tools that local councils now need to get on with the job of protecting koalas across New South Wales. My message to you, Ms Faehrmann, is let us work together to ensure that they actually do it. For councils that do not want to do it, then let us explain to their communities exactly why those local officials are putting our koalas, our most loved and iconic animal, in harm's way.

**The CHAIR:** Minister, let us go to the SEPP then. Have you seen the koala habitat protection guideline within the SEPP?

**Mr MATT KEAN:** You might have to refresh my memory, Ms Faehrmann.

**The CHAIR:** As I understand it, the requirements for site-specific plans of management have been removed—these are the changes—and instead decision-makers are required to take into account new standard requirements in a koala habitat protection guideline. I am wondering whether you have seen that guideline.

**Mr MATT KEAN:** I am aware of the guideline but I think Ms Hawyes is best placed to—

**The CHAIR:** We have not seen the guideline. The public has not seen the guideline.

**Ms HAWYES:** My understanding is that it is due to go to public exhibition fairly shortly.

**The CHAIR:** Do you know exactly when that will be?

**Mr MATT KEAN:** Imminently.

**Ms HAWYES:** Imminently.

**The CHAIR:** Hopefully we are going to rely on the guideline. Did the new SEPP not go to public consultation either before the guideline was released?

**Ms HAWYES:** It is a matter for Planning. We have had a strong role in providing information and the maps, the database, the information from our koala information holdings. The details of the process I can take on notice but it is being led by our colleagues in Planning.

**ANSWER:**

I am advised the draft Koala Habitat Protection Guideline was on public exhibition from 2 March 2020 until 30 March 2020 on the Department of Planning, Industry and Environment's website at: [www.planning.nsw.gov.au/Policy-and-Legislation/Environment-and-Heritage/Koala-Habitat-Protection-SEPP](http://www.planning.nsw.gov.au/Policy-and-Legislation/Environment-and-Heritage/Koala-Habitat-Protection-SEPP)

**The CHAIR:** Yes, but the big thing we are talking about in terms of saving koala habitat is being led by Planning. Over to Mr Pearson for questions.

**The Hon. MARK PEARSON:** Minister, you gave some evidence to say that the agriculture industry is well placed to lead us to deal with the climate change issue. Is that correct?

**Mr MATT KEAN:** Yes, I believe so. I think there are huge advantages that will accrue to the agricultural industry in a low-carbon economy.



**The Hon. MARK PEARSON:** Considering the Paris summit on climate change found that animal agriculture is third from the top in contributing to climate warming, is part of this strategy of agribusiness to lead us into addressing climate change issues? Is your department guiding them to move away from animal-based agriculture in reflecting the Paris summit's recommendation?

**Mr MATT KEAN:** No, not at all. We see an opportunity to move towards, for example, genetically modified animals that maybe belch out less carbon. There are opportunities where if we have an advantage in low-carbon animals, that could provide export opportunities for the rest of the world. Similarly, opportunities are being developed by our scientists where the feedstock that they are providing animals leads to less carbon emissions from our cows or our sheep or whatever—again, intellectual property that has been developed here that we could export to the rest of the world, which will be incredibly valuable in a low-carbon world economy.

**The Hon. MARK PEARSON:** Minister, the recommendation from the Paris summit in relation to animal agriculture was not really related to flatulence of animals—

**Mr MATT KEAN:** It is a source of emissions.

**The Hon. MARK PEARSON:** It is related to the clearing of forests to grow food to feed animals, particularly in intensive livestock situations, transporting that feed, the water that is required to grow that feed and then provide water to the animals. Are you aware that the dairy industry is the main consumer of water in Victoria? The Paris summit looked at the whole cluster of factors that affect climate change and found that a lot of them are in the agriculture industry. Would it not be more wise to lead the agriculture industry to embrace more plant-based agriculture rather than animal-based agriculture, based on the findings of that Paris summit?

**Mr MATT KEAN:** There may be an opportunity to look at things like that but what we have to do is tailor a solution to meet the needs of our agriculture industry here in New South Wales. That is exactly what we are going to do, Mr Pearson. That is why we have negotiated a \$3 billion deal with the Commonwealth Government to ensure that New South Wales can do its bit to lower carbon emissions right across the economy but in a way that does not hurt jobs and does not blow up our economy.

**The Hon. MARK PEARSON:** That is a difficult balance to strike, is it not?

**Mr MATT KEAN:** Absolutely.

**The Hon. MARK PEARSON:** I have one more question and then I will hand over to Mr Field. China has issued a directive that no wild animals are to be bred, transported, marketed or consumed—

**Mr MATT KEAN:** Can I step out for one second?

**The CHAIR:** If you need to.

**The Hon. MARK PEARSON:** Sure, not a problem.

**Mr MATT KEAN:** You can ask my officials.

**The Hon. MARK PEARSON:** That is okay. I will wait.

**Ms HAWYES:** Can I update on the exhibition of the guidelines?

**The Hon. MARK PEARSON:** Sorry, I have not finished the question. The issue is that China has just recently caused a halt to all interactions with wild animals and any agricultural or protein production or whatever, due to the fact that it is quite clear that coronavirus is highly likely to have come from wet markets et cetera. We go back to the Severe Acute Respiratory Syndrome virus—it came from chicken and pigs. We go back to bird flu—it comes from ducks and birds. Is the consumption of kangaroo meat being assessed by your department as to whether it could also be posing a threat to the health of human beings, particularly given that sometimes kangaroos suffer from diseases that we cannot even diagnose and yet still they are being commercially processed for the human consumption market?

**Mr BETTS:** I think the question would be best directed to the Agriculture portfolio. The Department of Primary Industries, rather than the people around this table, are responsible for biosecurity issues of that kind. But I am happy to take your question on notice and come back to you on that.

**ANSWER:**

This question should be directed to the Minister for Agriculture and Western New South Wales.

**Ms MACKEY:** Can we clarify something from the last line of questioning. In terms of the koala habitat protection guidelines, they were released for consultation. We said they were imminent. They have been released.

**The CHAIR:** When were they released? Do you know the date?

**Ms MACKEY:** On 2 March, earlier this week. They are on public exhibition until 30 March. They are on the NSW Planning portal.

**The CHAIR:** That is good to know. Thank you.

**Mr JUSTIN FIELD:** Mr Pearson, did you want to finish with the Minister?

**The Hon. MARK PEARSON:** No, the question has been taken on notice, so that is fine.

**Mr JUSTIN FIELD:** Minister, what is your role in providing concurrence for the water resource plans that we know are currently being developed for compliance with the Murray-Darling Basin Plan?

**Mr MATT KEAN:** I have to provide concurrence, as I understand it. I am very happy to hand over to Sharon Molloy to provide further detail about what my statutory obligations are in this space.

**Mr JUSTIN FIELD:** That would be great. Ms Molloy, while we are doing that, could you explain how the Minister is informed in that process about the decision or the advice that he receives?

**Ms MOLLOY:** In terms of the water resource plans, just for a bit of background, they are required to be accredited and endorsed by the Murray-Darling Basin Authority, as you are well aware. It is the responsibility of the water Minister, Minister Pavey, to make those plans. Our role and the Minister's role to date is twofold. As part of the water resource packages—the long-term water plans that talk about how we manage environmental water into the future over a 20-year period—all nine long-term water plans were endorsed by the Minister on time for the 31-December deadline. The next part of the process, once those water resource plans and packages are submitted to the Murray-Darling Basin Authority and following accreditation, the concurrence needs to be sought from Minister Kean on those water resource plans.

**Mr JUSTIN FIELD:** You talk about water resource packages. Are they distinct from the water resource plans, which I think there are about 30 of that need to be submitted for accreditation?

**Ms MOLLOY:** The actual package includes the water resource plan and the water sharing plan, which is the statutory part.

**Mr JUSTIN FIELD:** Which are being amended through this process as well.

**Ms MOLLOY:** Yes, which are being amended.

**Mr JUSTIN FIELD:** The Minister has already provided concurrence on some of those that are on draft exhibition at the moment. I believe some of them are out for consultation.

**Ms MOLLOY:** They are out for consultation again.

**Mr JUSTIN FIELD:** Again?

**Ms MOLLOY:** Yes, Minister Pavey announced that I think earlier this week.

**Mr JUSTIN FIELD:** Does the Minister have another concurrent role?

**Ms MOLLOY:** If they are changed, she has a concurrence role, yes.

**Mr JUSTIN FIELD:** My understanding of the water resource plans that are out for public consultation at the moment is that they do not adequately consider climate change in respect of impacts, likely reduced flows over time and the like. Similar to what we saw with regard to the water sharing plans, a lot of those do not take into account the most significant drought. A lot of them have been backdated to effectively exclude millennium drought circumstances and certainly do not consider the worst droughts that we have seen in a lot of these catchments in the recent period and they do not have adequate protection for the first flush. We have seen the consequences now in that debate with regard to the flood plain harvesting issues in the last few weeks.

I am looking for some confidence from you, Minister, that those things have been adequately considered from your point of view and whether or not there is any scope now, given that we have seen the impacts of this

recent drought, to go back and have a look at whether or not they are effectively taking into account how climate change is going to change inflows and the realities for these catchment areas.

**Mr MATT KEAN:** I will look at it.

**Mr JUSTIN FIELD:** How would that process be considered? Ms Molloy, do you agree that those issues I raised are unaddressed?

**Ms MOLLOY:** I am not going to comment on whether I agree or disagree. The plans are being developed by our water colleagues and in the decision that the Minister has to make around concurrence, he will do that based on the science and the evidence that we provide to him, as experts.

**Mr JUSTIN FIELD:** Is it a single brief that comes forward or is there something that comes forward from the water Minister's office and then the Minister's staff provide comment on that? Minister, have you made any changes to any of the drafts that you saw before they went out for public consultation?

**Mr MATT KEAN:** I take advice from the appropriately qualified people in my department. I am not going to go into the ins and outs of how those decisions are made, but I rely on the science and the experts and the people in my department, who I have got full confidence in.

**Ms MOLLOY:** I will add to that, if I may. Every time there is a request for concurrence from Minister Pavey's office, we provide Minister Kean with accurate, timely scientific advice. We have got a lot of experts.

**Mr JUSTIN FIELD:** Is that advice available?

**Ms MOLLOY:** Yes, it is.

**The Hon. ADAM SEARLE:** Minister, I think your officials were going to explain where they got that assertion from about the availability of insurance against risk.

**Mr MATT KEAN:** Yes. Mr Bean has been acting in the job for what, a month?

**Mr BEAN:** Four weeks. I can give you information.

**Mr MATT KEAN:** We can provide you that on notice, if you would like.

**Mr BEAN:** The source of that particular assertion I will have to take on notice, I am sorry. But I can certainly talk to other relevant documents.

**The Hon. ADAM SEARLE:** Just to be plain, this is something I have taken a great deal of interest in. Previously at estimates the industry resources and energy Minister and public servants had essentially said that that was a matter for the private insurance market only and the Government had nothing to do with it. So they were not looking to provide in any way insurance against risk for the community. As best endeavours as I have been able to find out, no insurance products have ever been available to neighbouring landowners. That has been one of the chief sources of contention in this issue. I am very intrigued by that assertion by the EPA, because it suggests that it is available, although difficult and it is less available than it used to be. If I am right and it has never been practically available here in New South Wales, where does that information come from? I am happy for you to take that on notice if you do not have an answer here today.

**Mr BEAN:** I do not have an answer as to where that particular piece of information came from and I will take that on notice. But I can tell you that insurance from the private or any market was not the only element of the recommendations in relation to receiving assurance from coal seam gas operators.

**ANSWER:**

I am advised the assertion, or information, on availability of insurance against risk may have come from the NSW Chief Scientist and Engineer's report on the NSW coal seam gas industry (2014) and its supporting issues-based reports and information papers. These reports identified that comprehensive pollution legal liability insurance products suitable for the coal seam gas industry were available on the market.

However, insurance sector representatives advised the EPA in 2018 and 2019 that the appetite for providing these products has lessened in more recent years. The local Australian insurance market is now less willing to provide these products for coal seam gas activities and is more selective with the types of risk covered and the price of insurance coverage. The extent of insurance cover will also vary between policies, insurers and stages of the project (such as construction and operational phases). Insurance sector representatives advised that the

availability of adequate environmental liability insurance for coal seam gas activities in the Australian market is not straight-forward.

**The Hon. ADAM SEARLE:** I understand that. In respect of a lot of concerns from farmers and others, that was a significant concern. Minister, you are aware of the recommendations of the upper House committee. Of the 16 recommendations only two have been delivered in full. Eight appear to have been abandoned or not delivered and six have been delivered in part, but when you look at the compliance table, very little of those six have been delivered. Does your Government now accept that the lion's share of the recommendations by Professor O'Kane have simply not been delivered by the Government, at least to date?

**Mr MATT KEAN:** What I accept is before coal seam gas drilling can occur, we should implement the full recommendations made by Professor O'Kane. That is something I have already said today and I will continue to say it. I want to see the strongest safeguards in place around coal seam gas to give the community confidence that it is not going to trash the environment.

**The Hon. ADAM SEARLE:** Just to be clear, you agree that all of the recommendations should be delivered in full before coal seam gas is given any green light in this State?

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** Moving on to recommendation 10, the Sharing and Enabling Environmental Data [SEED] portal. Did all the funding to develop the SEED portal come from the Climate Change Fund and, if so, how much was that?

**Mr MATT KEAN:** In which report?

**The Hon. ADAM SEARLE:** In the chief scientist's recommendations she recommended a whole of environment data repository. In answers to questions last year at budget estimates and an inquiry, that has been described as the SEED portal which was developed by your agencies. The issue is where did the money come from for the SEED portal. It is referred to in the most recent annual—

**Mr MATT KEAN:** I am happy to take that on notice unless one of my officials can provide—

**ANSWER:**

I am advised the Environmental Data Portal (now SEED) was jointly delivered and funded from existing resources of the Office of Finance and Services and the Department of Trade and Investment (DRE), at an estimated capital cost of \$5.5 million.

**The Hon. ADAM SEARLE:** It is in the most recent annual report of the Climate Change Fund, so it is mentioned in the Climate Change Fund annual report. How much money went into developing the SEED portal?

**Ms MACKKEY:** That is correct, the SEED portal was a mechanism by which the Government delivered on the recommendation. I would look to Ms Hawyes in terms of where that money came from.

**Ms HAWYES:** I think at the inquiry I gave you an undertaking to provide you a breakdown of how that funding would be allocated. As part of that response we can address this too. The funding has been provided through—

**The Hon. ADAM SEARLE:** Again looking at the compliance table in the report, the SEED portal does not have all the features recommended by the chief scientist. In the inquiry, that was said to be ongoing. Do we have a time frame by which the department thinks that will be delivered?

**Ms HAWYES:** We went through in a level of detail at the committee how the SEED portal works. It is a little bit like a library reference, it points you in the direction of a range of data sets. It is ongoing, under development to improve its accessibility, user friendliness and the access to the range of datasets it can take you to.

**The Hon. ADAM SEARLE:** And citizen input, I think that was one of the things that was outstanding in the inquiry.

**Ms HAWYES:** Citizen input is due to go live this year. I can provide you with an update in full on notice.

**ANSWER:**

I am advised the SEED portal is being developed over time to take advantage of new technology so it will have capacity to deliver on all the components of Recommendation 10 of the Chief Scientists report.

SEED is Treasury funded for capital works until financial year 2027/28. The intent is that the delivery plan will be fully delivered by the end of the financial year 2027/28.

The Citizen Science Digital Hub is scheduled to be fully operational and "live" by the end of this financial year. The current Covid-19 situation may cause delays.

**The Hon. ADAM SEARLE:** I know you were asked a question about the Empowering Homes Program. During last year's budget estimates, \$3.8 million was to be allocated to that program. Last year again in the Climate Change Fund annual report only \$800,000 was allocated. You did not deliver any batteries or solar panels. What was the \$800,000 spent on?

**Mr MATT KEAN:** To set up the body to develop the program, to ensure that we had identified the risks, of which there are a number and that we had a plan to respond to them appropriately.

**The Hon. ADAM SEARLE:** Budget Paper No. 3 page 4-4 says \$7.9 million was being allocated in this year's budget for that program. But in your press release a week or so ago you said the money was coming from the Clean Energy Finance Corporation [CEFC]. Who is actually supplying the money for the pilot? Is it your Government or is it the CEFC and how much is it? Is it the \$7.9 million?

**Mr HAY:** There are two elements to the funding. The loan funding is provided by CEFC, the Government is meeting the cost of the loan funding from the grants that we are talking about. There is the cost of running the program, which the Minister referred to. Then the loans are interest free but the money is obtained by CEFC and the cost of the debt is paid by the Government.

**The Hon. ADAM SEARLE:** The money is being provided by the CEFC and the New South Wales Government is paying the interest. Is that essentially it?

**Mr HAY:** That is it.

**The Hon. ADAM SEARLE:** How much are the interest payments for this financial year?

**Mr HAY:** That will depend on the amount of uptake, which we have not got yet.

**The Hon. ADAM SEARLE:** But in the budget it said \$7.9 million was being allocated to this program this year. What is the \$7.9 million actually going to be spent on?

**Mr HAY:** We would have to take that on notice to show you how that is broken down in terms of what is budgeted for interest payments this year.

**The Hon. SHAYNE MALLARD:** It is good to see a budget question.

**The Hon. ADAM SEARLE:** There has got to be a token budget question. Minister, so you will come back to me with the breakdown as to how that is going to be allocated?

**Mr MATT KEAN:** I will take it on notice.

**ANSWER:**

I am advised that of the \$7.9 million that was allocated to the Empowering Homes Program in the 2019/20 budget, \$3.9 million is for the development and implementation of the program, which includes labour, operational and capital expenditure; and \$4 million is allocated to pay the interest free component of the no-interest loans.

**The Hon. ADAM SEARLE:** You will take it on notice, yes. Again, in last year's budget estimates in relation to the Climate Change Fund there was an amount being spent on hazard reduction and it was said to be an amount of \$14.2 million. I think that was the evidence given by Ms Levy. But when you check the most recent Climate Change Fund annual report the figure is \$15.2 million. Can you explain the discrepancy between the evidence given last year and the annual report?

**Mr MATT KEAN:** No, I cannot right here.

**The Hon. ADAM SEARLE:** Can anybody here do that?

**Mr MATT KEAN:** I am happy to take that on notice as well, Mr Searle.

**The Hon. ADAM SEARLE:** Can anybody else assist?

**Mr MATT KEAN:** It might be best to get that information and reconcile it with the budget figures.

**ANSWER:**

I am advised that the Climate Change Fund 2018/19 Annual Report states \$15.2 million expenditure on "Enhanced bushfire management program and research". This includes the \$14.2 million allocated to the Enhanced Bushfire Management Program and \$1 million for the Bushfire Research and Evaluation Program.

**The Hon. ADAM SEARLE:** Alright, I am happy for you to do that. Those are my questions for the Minister. I have got other questions but perhaps we do not need to—unless anyone else has questions for the Minister?

**The CHAIR:** Thank you, Minister, how much was your department or in what way formally were you and your department advised of the likelihood of more intense, severe bushfires as a result of climate change?

**Mr MATT KEAN:** When?

**The CHAIR:** What did you know about this fire season? What preparations had you put in place recognising that, I think since 2010 or even earlier, the department had before it a climate change impacts report that talked about more intense, frequent fires particularly, for example, down the South Coast? Were you aware of that and did the department and Parks have in place plans to mitigate those risks?

**Mr MATT KEAN:** Yes, of course we had plans to mitigate the risks. The National Parks and Wildlife Service has a very ambitious hazard reduction target, which was set after the fires in Victoria in 2009. There was obviously the royal commission. The New South Wales Government responded to that and the response was that we doubled the amount of money that we would spend on hazard reduction activities and we doubled the target on the number of hectares burnt and also properties protected. The National Parks and Wildlife Service, during the time that I was the Minister, not only hit that target but it exceeded the target in the lead-up to this year's fire season.

It has not always hit that target, although it has come pretty close. The reason it did not hit that target in the previous year—it hit 75 per cent of that target—is because, Ms Faehrmann, as you know, the windows to do hazard reduction are becoming smaller and smaller. It is changing the way we need to do things. There is an inquiry underway. That inquiry will look at climate change and how we resource National Parks in order to do hazard reduction burning going forward.

**The CHAIR:** What else other than hazard reduction? Were there other things?

**Mr MATT KEAN:** In this inquiry or in the lead-up?

**The CHAIR:** No, in terms of mitigating the risk of more severe, intense fires on nature in New South Wales, if you like—the environment in New South Wales?

**Mr MATT KEAN:** There is obviously hazard reduction. There is mechanical clearing. There is a suite of measures that the National Parks and Wildlife Service use to mitigate the impact of bushfires. They are well qualified to do this work and I am very happy to hand over to Dr Fleming.

**The CHAIR:** Can I also ask about the impact on not just hazard reduction—I am aware of those figures—but also, for example, on the wildlife of New South Wales? Have you looked at what you potentially may have been warned about and what you could have done differently?

**Mr FLEMING:** Can I add some comments? Naomi Stephens might then elaborate further. As the Minister has said, there was a significant increase in the investment in hazard reduction activity in about 2011 or 2012, I think. National Parks went from an average of about 50,000 to an average of over 135,000 for the last seven years in terms of hazard reduction activity. That was in part a response to climate change. Climate change is factored into the reserve management plans, the fire management strategies that are done for the reserves and through the whole planning process for our prescribed burning and hazard reduction activity.

Every year at the end of the year, at the end of the season, Parks along with RFS and others reviews the season and looks forward. So I think climate change is part of the overall planning framework for how we do fire management. Naomi Stephens is embedded in that and I want to just acknowledge that she led our operational team through this really difficult season. The team did a great job and Naomi led the team doing a great job. I might ask her to just elaborate on how climate change has factored into it all.

**Ms STEPHENS:** The thing I would add is that when we were funded to double our hazard reduction target we also received funding from government for additional resources to mount rapid response to bushfire ignition. It was part of a cross-tenure program. The Rural Fire Service also received funding at the same time. What that did was increase the resources we have available to put on stand-by to be able to lodge remote aerial firefighting teams to go in when ignitions start and put those fires out or keep them to a small scale in order to reduce the impact on our reserves.

**The CHAIR:** Thank you. I only have 20 seconds left. Can I continue that when the Minister is gone? I just wanted to ask in relation to National Parks and Wildlife staff, what is their responsibility when they see injured wildlife? What are they supposed to do with injured wildlife?

**Mr MATT KEAN:** That is probably best addressed by Dr Fleming.

**Mr FLEMING:** I am not sure. If they see injured wildlife there, they will—

**The CHAIR:** Where do they take the injured wildlife?

**Mr FLEMING:** I think we rely quite a lot on community carers.

**Ms STEPHENS:** Wildlife carers, yes.

**Mr FLEMING:** Wildlife carers.

**The CHAIR:** If I can just finish this one thing, if that is okay?

**Mr FLEMING:** Sure.

**The CHAIR:** In terms of the Government's response to injured wildlife now after the fires, I am keen to see whether the department's response may change as a result of the scale of what we are seeing and as a result of the international interest in recognising that there are hundreds if not thousands of people who are volunteering weeks and weeks of their time to care for wildlife. Is there any role whatsoever for a paid workforce for National Parks and Wildlife rangers to be caring for these animals—for clinics to be established, for example, by the Government—or should it continue to be left pretty much 100 per cent to volunteers?

**Mr MATT KEAN:** Firstly, the New South Wales Government has delivered an additional \$1 million for wildlife carers. That is part of our immediate response to these bushfires. Secondly, these unprecedented bushfires require an unprecedented response. That is exactly why we are going to an independent inquiry chaired not by politicians but by experts like Professor Mary O'Kane that are going to look at climate change, are going to look at resourcing and are going to look at what we can do to make sure that we mitigate the risks going forward and we respond to it appropriately.

**The CHAIR:** Alright. We will keep that discussion going. Mr Field?

**Mr JUSTIN FIELD:** Minister, what role your officials playing in the development of the environmental impact statement [EIS] for the proposal to raise the Warragamba Dam wall?

**Mr MATT KEAN:** I think that Ms Mackey is best placed to respond to that very interesting question.

**Mr JUSTIN FIELD:** While you are looking for that, Ms Mackey, given the majority of the area that would be impacted upstream of the dam wall—that would be temporarily inundated—burnt in the recent fires and are areas of the Greater Blue Mountains World Heritage Area, has that changed the considerations around the EIS development feeding into biodiversity assessments and the like?

**Ms MACKEY:** We have well-established arrangements in terms of, as part of the planning process, how we feed into the arrangements to look at the impact on the environment. That is happening with the Warragamba proposal. We understand that the environmental impact statement will be publicly exhibited in the first half of this year and we will certainly continue to engage in that process.

**Mr JUSTIN FIELD:** Given the significant impacts of the fires, though, are you engaging in the process to ensure that any biodiversity assessments that are underpinning the EIS are going to be accurate now, given that everything has changed out there?

**Ms MACKEY:** As we engage in the process we will use the latest information that we have at hand. We will not be relying on work that we did in 2019.

**Mr JUSTIN FIELD:** So you will have to go back in there and do new biodiversity assessments then?

**Ms MACKEY:** It will depend on what information we have at hand and what has changed. We will rely on our experts in biodiversity and conservation and in science to inform the input that we provide.

**Mr JUSTIN FIELD:** How are biodiversity offset requirements going to be determined for this project? I understand it has been a matter of debate and discussion internally.

**Mr MATT KEAN:** In the usual manner.

**Mr JUSTIN FIELD:** I am not sure it is going to be in the usual manner.

**Mr MATT KEAN:** I am not aware of any proposed change to that manner.

**Mr JUSTIN FIELD:** You may want to seek advice.

**Ms MACKEY:** The legislation outlines how biodiversity offsets are to be administered, and that is the way in which we will be operating.

**Mr JUSTIN FIELD:** So there is not work going on to consider a new methodology for biodiversity offsets related to this project?

**Mr MATT KEAN:** Not to my knowledge.

**Ms HAWYES:** There is work to adjust—it is the biodiversity assessment method, a peer-reviewed method. Of course, we will be taking the impacts of the fires into account and looking at how that method is applied case by case.

**Mr JUSTIN FIELD:** That method and the arrangements under the method as it currently exists will apply as it stands for this particular project?

**Ms HAWYES:** I have to take that on notice because I am not dealing intimately with that project myself. But what I can say is that the method is being used in a way that is cognisant of the fires.

**ANSWER:**

Questions on the assessment of the Warragamba Dam Raising project should be directed to the Minister for Planning and Public Spaces.

I am advised that on 26 February 2020, the Department published the Guideline for application of the Biodiversity Assessment Method (BAM) at severely burnt sites. The guideline outlines approaches that can be used to estimate and identify as closely as possible the biodiversity values that existed on the land prior to the severe bushfire. The purpose of the guideline is to assist accredited assessors prepare or finalise a biodiversity development assessment report or a biodiversity certification assessment report under the *Biodiversity Conservation Act 2016*.

It can be found at [www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Animals-and-plants/Biodiversity/guidelineforapplyingbiodiversityassessmentmethodatseverelyburntsitesassessmentreports200104.pdf](http://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Animals-and-plants/Biodiversity/guidelineforapplyingbiodiversityassessmentmethodatseverelyburntsitesassessmentreports200104.pdf)

While the guideline was developed to support application of the BAM, the approaches set out in the guideline can also support completion of biodiversity assessment reports prepared using the Framework for Biodiversity Assessment, which is being applied to the Warragamba dam project.



**Ms MACKEY:** I think we can confirm that we are operating consistent with the legislation. There have been no exemptions provided for, so we will continue to do it consistently.

**Mr JUSTIN FIELD:** I am not sure I was suggesting that it was not consistent with the legislation. I have obtained information around this under the Government Information (Public Access) Act [GIPAA]. I know that there have been detailed meetings. I have not seen the details of them; they are subject to a Standing Order 52, I think, coming down range relatively soon. But it seems that there have been significant discussions between various areas of government about how the biodiversity offsets of this project will be assessed and consideration for changes to the methodology to suit the uniqueness of such a large project. Have I gotten that wrong? That is the sense I have gotten from some of the information in the GIPAA responses.

**Ms HAWYES:** There is—and I can provide it to you—a guideline available about how you apply the ban in the context of a fire-affected area. I am not intimately involved with the assessment of the Warragamba, but that is, broadly speaking, how the guideline will be applied post fires.

**ANSWER:**

Please refer to my earlier response regarding the Warragamba Dam proposal and the Guideline for application of the Biodiversity Assessment Method (BAM).

**The Hon. MARK BUTTIGIEG:** Minister, I was interested to note your response to my colleague Ms Faehrmann's questions regarding the koala plans of management [KPoMs]. To be frank, you slated blame home to local councils for not getting their act together. Our understanding, or my recollection, from the several hearings we have had on that particular committee looking into destruction of koala habitat is that there are several plans of management that councils have, in fact, completed but the Minister—which I think is the planning Minister—has not adopted them. Are you aware of that?

**Mr MATT KEAN:** Yes, I am, but they are by far the minority. The majority of councils that should prepare koala plans of management have not done the job.

**The Hon. PENNY SHARPE:** What about the ones that have done it?

**Mr MATT KEAN:** Including Labor councils, Ms Sharpe.

**The Hon. PENNY SHARPE:** What about the ones that have done it and it is not signed off?

**Mr MATT KEAN:** What I will say, Mr Buttigieg, is the reason they have not been signed off is because SEPP 44—as you well know, Ms Sharpe—has been under review. The new SEPP has just been made and I would imagine that the planning Minister—and feel free to ask him at his budget estimates – will be looking to sign off on those KPoMs as soon as possible.

**The Hon. MARK BUTTIGIEG:** You have not had discussions with him about why they have not been adopted?

**Mr MATT KEAN:** I aggressively fight for koalas with all my colleagues, including the planning Minister, and I will continue to do so.

**The CHAIR:** On that note—aggressively fighting for the koalas—this round of budget estimates is finished. Thank you very much, Minister, for appearing. We will be back at 2.50 p.m.

**(The Minister for Energy and Environment withdrew.)**

**(Short adjournment)**

**The Hon. PENNY SHARPE:** I wanted to go back to Adapt NSW. I accept that there was some sort of error in a communication to staff in relation to that climate change forum. Are you able to confirm to the Committee whether, as a result of that miscommunication as described, any of the workshops or the presentations were changed or edited as a result of the directive?

**Mr BETTS:** I do not know the answer to that off the top of my head.

**Ms HAWYES:** I do, and the answer is no. Nothing was changed. As the secretary mentioned, it was an error between two relatively junior staffers. Everyone was quite disappointed with the coverage that it received. It was completely disproportionate.

**The Hon. PENNY SHARPE:** Was there follow-up correspondence to say, "Don't worry about it"?

**Mr BETTS:** I certainly spoke in a number of forums and made it very, very clear that the issues and the connections which were ostensibly disavowed in that communication were actually very live things that staff could legitimately talk about and I then went on to talk about in numerous forums on the record.

**Ms HAWYES:** And at the event there was very, very robust discussion. I was there.

**The Hon. PENNY SHARPE:** I am glad; I would have been very worried if there was not.

**Mr BETTS:** Generally speaking, in government it is usually a stuff-up rather than a conspiracy.

**The Hon. PENNY SHARPE:** I accept that sometimes there is a conspiracy. We have been around for a long time. I want to go to the issue around budget cuts. I know that you call them efficiency dividends. You can call them savings, but I am going to call them cuts. We are talking about the same thing. You confirmed that across the cluster it is about \$81.4 million that you have to meet by July this year. Is that right?

**Mr BETTS:** That is correct.

**The Hon. PENNY SHARPE:** I asked this morning about national parks specifically.

**Mr BETTS:** The data is aggregated at the level that coordinates generally Energy, Environment and Science. I will ask Ms Mackey to describe to you the impact that the budget cuts—which I accept as a description—will have on national parks. You will have seen from the communications that I sent to 11,500 staff that our intention has been to absolutely minimise the impact on frontline staff and wherever possible.

**The Hon. PENNY SHARPE:** I get that. I have seen the material. You are trying to get about half of it out of consultants and travel and overtime.

**Mr BETTS:** As much as we can. For instance, our consulting spend has gone down from a projected \$34 million this year to three and a bit, which we have done grudgingly where we are actually required—

**The Hon. PENNY SHARPE:** That is across the whole cluster?

**Mr BETTS:** Correct. That contributes to the \$82 million or \$81.4 million and delivers more than we anticipated. Our initial process was to go through basically a six-month period and try to top slice as much corporate overhead and consulting spend and achieve efficiencies through reduced travel, meeting our targets for reduced expenditure on senior executives and only then go to the question of what balance needed to be found by individual divisions. In doing that, we made allowance for the fact that we have got 48 per cent of our staff based in regional areas and therefore subject to the jobs guarantee, so that that distribution is not even across divisions. Groups like NSW National Parks and Wildlife Service, Local Land Services and so on, will have a heavy skew towards regional areas. It was unreasonable to expect them to carry the same portion of burden per capita of expenditure—

**The Hon. PENNY SHARPE:** It just puts an enormous amount of pressure on your central staffing—

**Mr BETTS:** It would, yes.

**The Hon. PENNY SHARPE:** Because there is no way that you can do that.

**Mr BETTS:** There is a sensible process, if you like, of equalising the pain of recognising the fact that heavily regional divisions have fewer degrees of freedom.

**The Hon. PENNY SHARPE:** But they are not immune?

**Mr BETTS:** They are not immune. I will ask Ms Mackey to take you through some of the steps that Environment Energy and Science [EES] is taking, of which national parks is a large part.

**Ms MACKEY:** As Mr Betts has said, we have focused on the non-labour costs that we have. Pretty much across the board, all of our operating expenses have decreased in this financial year because that has been our focus. Even though we are part way through the financial year, we have seen drops of between 20 per cent and 45 per cent in a range of our costs. For example, advertising and media, consultants, finance and insurance, information and communications technology, legal, building repairs and maintenance. It is all of those things. We have focused on finding—

**The Hon. PENNY SHARPE:** Sure. I accept you are under a lot of pressure and that you are pulling through.

**Mr BETTS:** I gave a commitment to the Australian Workers Union at the outset of this process that I would do everything in my power to minimise the impact on their members and that is what we are delivering.

**The Hon. PENNY SHARPE:** That is a big drop that you have just talked about. Are you able to provide information to the Committee about what consultants and what projects then are no longer going forward?

**Ms MACKEY:** It is not so much projects not going forward, it is the way in which we are delivering particular projects. From Environment, Energy and Science, on last year we have dropped our consultancy spend by around 22 per cent.

**The Hon. PENNY SHARPE:** Does that mean that the projects that were going to be put out to consultants will try to be dealt with in-house? Surely that is not possible. You cannot bring all of it in-house.

**Ms MACKEY:** Some of it is done in-house, absolutely, drawing on the expertise that we have. We have a really strong—

**The Hon. PENNY SHARPE:** How do you square that with the fact that there are no backfills if anyone is leaving positions? My understanding is that the vacancy rates are quite high.

**Ms MACKEY:** We have been very much targeting the work that we have been doing against the Government priorities. There have been decisions made about what we will and won't work on. We have also had this incredibly unusual season over the spring and summer months, in terms of the fires, where we have not had capacity to progress some of the work that we otherwise had planned. We have targeted all of our resources on the response and now the recovery to the bushfires.

**The Hon. PENNY SHARPE:** The impact of loss from of the fires you do not believe has been impacted by the fact that you have fewer consultants to do the work?

**Ms MACKEY:** In real terms, given the emphasis that has been on the fire response and then recovery—

**The Hon. PENNY SHARPE:** The immediate response is fine. I am really talking about your recovery planning.

**Ms MACKEY:** Recovery planning is something that where we are needing to use experts, we are.

**The Hon. PENNY SHARPE:** You have gone from \$30 million to \$3 million and I assume that is across the entire cluster?

**Mr BETTS:** Yes. I think there are two points being made here. First of all, we have achieved more than we thought we would in terms of reducing our reliance on expensive external consultants. There is a lazy temptation sometimes within government, "Let's bring in KPMG or another professional services firm," when you actually have the talent already sitting there on your payroll. You might as well bring those people in and enable them to do the work.

**The Hon. PENNY SHARPE:** I completely accept that there are some terrific people who should be used more often. But if you bring them in, you take them offline and you are not backfilling those positions, which means that the rest of the work that they do is not being filled. Is that right?

**Mr BETTS:** In some cases public servants are sitting there frustrated that their bosses have been reliant on consultants when, in fact, they have the in-house capability and talent to do it.

**The Hon. PENNY SHARPE:** I accept that, but what happens when those people then get pulled off to do the work that consultants were going to do. You see what I am trying to ask?

**Mr BETTS:** Yes. There are certain things that—we can't increase the number of hours in a day that people are expected to work unreasonably. I made very clear in my staff communication that, to the extent that budgets are being cut, provided we are as efficient as we can be in terms of our use of resources then we can't rely on staff to just fill positions which become vacant.

**The Hon. PENNY SHARPE:** It just means the work will not get done.

**Mr BETTS:** Yes.

**The Hon. PENNY SHARPE:** The reality is that less work will be done. I accept that you are trying to prioritise but there is no way that you can do the work that you are charged with if you are not filling positions if you have cut consultants and you are taking people offline to do specified work—very important work in terms of recovery.

**Mr BETTS:** If you are starting from a perfectly efficient organisation, but I would not necessarily say that that was the case. There is the opportunity to do things more efficiently and sometimes—

**The Hon. PENNY SHARPE:** Are you saying that the staff are not working at full capacity?

**Mr BETTS:** No, I am saying that some of the processes within government, believe it or not, are quite clunky and—

**The Hon. PENNY SHARPE:** Who knew?

**Mr BETTS:** —could be refined and streamlined to reduce the quite frustrating bureaucracy.

**The Hon. PENNY SHARPE:** Sure.

**Mr BETTS:** One of the first things I did as secretary in the face of the budget cuts was to invite staff to come up with ideas as to how we could streamline our process and get rid of needless bureaucracy, save paperwork and avoid the need for nine different signatures on every briefing note and so on. I have a folder of good ideas that staff have come up with. You do not start from a point of view of perfect efficiency. There is headroom you can make just by making your processes more efficient and lean. There does come a point—

**The Hon. PENNY SHARPE:** There is a limit, ultimately.

**Mr BETTS:** Yes, there is. In which case you need to decide which functions are more important for staff to be working on than others. I think one of the points that Ms Mackey was making was that in the exigency and the crisis management associated with bushfires, one of the ways that we have been able to manage that, notwithstanding the efficiency—or the budget cuts, as you call them—is that there are some things that we have just not been able to do because of the situation that we are in. We have been able, in the near term, to divert resources towards bushfire response.

**The Hon. PENNY SHARPE:** What are the things that you have not been able to do?

**Ms MACKEY:** I think one of the examples is the capital works program in national parks. It requires us to be able to not only get into parks but also have staff available to undertake those works and manage those works, where others are doing them. It really has not been possible since September last year. We have a very significant investment in parks infrastructure that we would like to deliver but, instead, we have diverted staff resources to the response and, now, recovery. We have had to have that capacity and we will move, as we go forward with the recovery, to deliver that capital works program.

**Mr FLEMING:** That is 40,000 plus staff days on the fires themselves, and there is another 10,000 plus staff days in travel time and downtime after fires, so you are taking a big chunk of capacity out directly for firefighting.

**The Hon. PENNY SHARPE:** Also buying you some savings by being able to put off your capital budget works.

**Ms MACKEY:** Also understanding that the budget arrangements for parks around the operational side of fires, is, if you like, an insurance arrangement within government. The money that we spend doing those operations we get back in the budget. It costs us more when our staff are doing firefighting in an operations mode and that money flows back in to the park's budget. So while we are in a cash flow sense using the money we have, it then comes back in so that we can then use the money that we had allocated for things like the capital works program, to use that at a later date.

**The Hon. PENNY SHARPE:** You anticipate there will be further savings required in the next two financial years, do you not?

**Mr BETTS:** Yes. Without pre-empting the budget—

**The Hon. PENNY SHARPE:** Treasury has provided that.

**Mr BETTS:** Yes. Without pre-empting the outcome of the budget process which is currently underway, last year's budget involved further savings to be found.

**The Hon. PENNY SHARPE:** And again the impact of the fires, particularly on some parts of the agency, have you been able to make special representations to Treasury in relation to those savings, cuts that might be coming down the line?

**Mr BETTS:** Yes, in the sense that the conversations I have had with the frontline agencies which have been dealing with, firstly, drought and then bushfire response, have been that the top priority is to ensure that the

community's assets—human beings—are appropriately looked after. Then there is a process which will play out with Treasury. Ms Mackay can talk about that in more detail if necessary. We are trying to make sure that near-term uncertainties around funding and finance do not stand in the way of doing the right thing in the short term, and we have been pretty successful in that.

**Ms MACKEY:** That is right. Under the State recovery arrangements I mentioned earlier, Treasury is certainly a part of those arrangements and everything we have been doing in the space—for example, the immediate response recovery plan that we did. Also all of the work in the waste space. All of that goes up through their recovery arrangements, through the State Recovery Committee, so that is all endorsed in terms of expenditure.

**The Hon. PENNY SHARPE:** And the extra funding is coming out of the \$1 billion that the Government has said they have got for recovery? Is that where the money is coming from?

**Ms MACKEY:** Treasury are working through all of the agencies involved in both the response and now the recovery piece to determine what are the sources for that funding for this financial year and any commitments that are made for that.

**The Hon. PENNY SHARPE:** When you are talking about moving things around, are you essentially funding internally? Basically there is no new money for some of this recovery work?

**Mr BETTS:** No, we are not saying that. There are discussions going on in government at the moment about exactly what the budgetary outworkings of this will be. They are probably more appropriately directed to the Treasury Secretary who has got more visibility than I have. But there are arrangements where departments are not left solely to fend for themselves in a budgetary sense, given we all needed to mobilise very quickly to meet the circumstances of the crisis that we faced.

**The Hon. PENNY SHARPE:** I accept that. But the point I am making is that across government the impact is going to be felt—obviously looking after people and the communities that are heavily affected but no one is denying, the Minister included, the impact on our environment across the State and on flora and fauna and the massive impact on both our forests and our national parks. So I am wanting to know whether specific consideration, given that massive impact, is occurring. I will not ask you to comment about what is going to happen with that but I want to be reassured that that is there.

**Ms MACKEY:** There is certainly consideration at a bilateral level between our agency and Treasury. There is also consideration through the State recovery arrangements which Treasury are also a key part of.

**The Hon. PENNY SHARPE:** But you cannot tell me whether it is out of the \$1 billion that the Government says they are paying around recovery?

**Ms MACKEY:** That is a matter for Treasury at this point in time.

**The Hon. PENNY SHARPE:** They will decide which bucket of money it comes out of. Is that what you are essentially saying?

**Mr BETTS:** Pretty much, yes.

**The Hon. PENNY SHARPE:** Mr Fleming, are you able to provide me with an outline of the size of the recovery process and the kind of issues that need to be addressed in the recovery process. I am not asking for a detailed assessment, animal by animal or plant by plant, but just overall the impact on national parks. What are your officers and what are you saying are the key parts to the recovery that need to be addressed?

**Mr FLEMING:** I can answer that. I will give you some sense of that for national parks and others can elaborate for outside of parks. It is good to see it in an integrated way. The fire season was obviously very long, very intense, and I acknowledge the staff for the incredible effort they put in. During that process there was a lot of work that went into protecting our national assets. Obviously there was a big focus on saving lives and property but you will have read about the efforts to protect Wollemi pine and there are a suite of other examples. The team at Mount Kaputar did a great job keeping fire out of habitat for brush-tailed rock-wallabies at Mount Kaputar. There are a string of examples like that.

Throughout the firefighting effort there was a lot of thought given to protecting the natural environment as well as property and lives. We have then shifted into the recovery focus and one of the key steps was identifying which areas had been burnt and mapping those. You have heard that across parks some 2.7 million hectares have burnt. To actually understand what that means you need to go to that next step and look at the severity of fire across that range. To give you an example, of the Greater Blue Mountain World Heritage Area some 81 percent

burnt but it is about 47 percent that had canopy burn or part-canopy burn. That starts to give us a sense of how much will need a greater emphasis in terms of—

**The CHAIR:** Are you concerned about the World Heritage listing of the park from UNESCO, given the severe impact of what has happened?

**Mr FLEMING:** I am not concerned about the listing. UNESCO have asked the Federal Government for information about impacts and what is being done to address those impacts.

**The CHAIR:** You do not believe there is any concern it could be downgraded.

**Mr FLEMING:** No. The fire severity mapping is very important to get a sense of the priority areas, the refuges, and to get a sense of the scale of the impact. It also directs some of our efforts to promoting the recovery. We have talked about the National Feral Animal Control Program [NFACP]. Again going back to Kaputar, that is one of the first places that feral animal control is being undertaken. Around 500-odd goats were taken off around that rock-wallaby colony that had been protected. As part of the sort of ground truthing, if you like, at Mount Kaputar, I think it was the second ever record of a yellow-bellied glider that was detected. I guess I am just trying to give you a sense that there is an element of everything being integrated. The firefighting was about protecting key assets. We are then mapping what is left.

**The Hon. PENNY SHARPE:** I think there is a massive opportunity here to deal with some of the weed and pest issues that have been wicked problems for quite a long time. The idea around betterment around recovery is something that people are pretty strong on. My question to you is, what extra resources does that require to do that as well as you can? We are not going to get an opportunity to knock out most of those pests like this again.

**Mr FLEMING:** I will not give you a dollar figure right now. But you are right in the sense that what we are doing is using this as an opportunity to work out what needs to be done for the future of the parks estate and we are in the process of costing that.

**Ms MACKAY:** There are two issues there. One is that we are going through a process, as the Minister talked to this morning, around the medium- to longer-term recovery arrangements for the environment. That will tell us a lot about what actions need to be taken and the resourcing required to do that and we are going through a process, as Mr Betts has said, with regard to the budget for next year and beyond which we are certainly feeding into. Those two things are absolutely coupled together as we do that work. Mr Beaman could probably also talk to the range of other recovery actions and activities.

**The Hon. PENNY SHARPE:** Firstly, I want to go back to the World Heritage listing issue. You do not believe there is an issue around the fire but what about the issue with Warragamba Dam and the World Heritage listing in combination? There have been concerns raised.

**Mr FLEMING:** That planning process, the environmental assessment is underway and one of the things the assessment looks at is the impact on World Heritage value. We will look at that in the context of the environmental impact assessment.

**The CHAIR:** I just want to go back to the issue of the logging that we have heard about in the unburnt areas of the Styx River State Forest. My question is to the NSW Environmental Protection Authority. Can you explain to the Committee, I am trying to think of the process that you are assuring us is being undertaken post fire. We have heard from the Federal Government about 113 species, including the Hastings River mouse, the long-nosed potoroo and I think the greater glider is also potentially on that one. The stuttering frog is as well. We have these species that—let us say the Hastings River mouse, which I understand the Federal Government has identified as really at risk of extinction now. Quite a bit of its habitat is contained within the Styx River State Forest.

**Mr FOWLER:** That is my understanding, yes, that there is greater habitat for the Hastings River mouse and other species. In terms of the process that we are putting in place around logging of burnt timber in particular—unburnt aside—we and Forestry Corporation are looking at moving into the burnt timber so they can move out of the unburnt areas, noting the importance of those areas. The process for the EPA in terms of bringing together experts from both across the cluster—Science, Biodiversity and Conservation—but also external experts to understand what are the potential species habitat that might be in the areas that Forestry Corporation are putting forward for burnt timber logging. They have put forward in the order of 250 compartments for us to consider.

**The CHAIR:** Sorry, burnt or unburnt, the 250 compartments?

**Mr FOWLER:** Burnt. The initial bringing together of the experts and operational expertise as well was to understand what the risks associated with all of those 250 compartments were to look for the lowest risk

compartments from a habitat point of view, from an erosion point of view, for example, and then move through a process of understanding what those risks were and then what additional prescriptions or controls would be required if logging of burnt timber commenced in those compartments. Earlier on today, Ms Faehrmann, I think you talked about the existing controls or the controls that existed under the Coastal IFOA. The conditions that we have more recently issued for, in total, 37 compartments are in addition to the Coastal IFOA. They provide greater protections in the event that there are species habitat or particular rivers and streams—

**The CHAIR:** Okay, so the Styx River State Forest logging is being undertaken within the existing Coastal IFOAs or the new conditions you were referring to just then, the 39—

**Mr FOWLER:** The Styx River logging that ceased yesterday was in unburnt areas and was under the existing Coastal IFOA.

**The CHAIR:** Why did it cease yesterday?

**Mr FOWLER:** My understanding is that that logging activity had largely been completed. They were running out the back end of the process, but Forestry Corporation had finished in that area.

**The CHAIR:** Did you have any discussions with the Federal Government or within other agencies once the species came before the EPA, for example? Help me understand this. You discover that the Hastings River mouse has had 89 per cent of its habitat burnt, for example. The Styx River State Forest is a very important habitat for the Hastings River mouse. Did that not trigger anything within the EPA to suggest to State forests that it should stop logging those compartments where probably the last few little Hastings River mice post fire were potentially living? It is a hypothetical, but—

**Mr FOWLER:** Again, I can only—we were reliant on the expert advice from across our own organisation about the species—

**The CHAIR:** Where did that come from?

**Mr FOWLER:** From our Science colleagues and our Biodiversity and Conservation colleagues. They were providing that advice to us.

**The CHAIR:** What was the advice? That the Hastings River mouse was okay?

**Mr FOWLER:** I would have to take that on notice. I do not have that at hand.

**ANSWER:**

I am advised the Styx River State Forest operation was in unburnt forest and was authorised under the Coastal Intergrated Forestry Operations Approval (IFOA). The NSW EPA has no approval role for operations under the Coastal IFOA and has no ability to stop logging unless it has reasonable belief that the IFOA is not being complied with.

The EPA consulted NSW Government experts about risks to threatened species associated with logging in burnt areas of Styx River State Forest. The advice received is consistent with what is outlined in the NSW Government's Wildlife and Conservation Bushfire Recovery Immediate Response Plan January 2020. The advice received from NSW experts has informed what forestry operations can occur in burnt forests, and the design of additional site-specific operating conditions that apply to any forestry operations occurring in burnt forests.

**The CHAIR:** Could you please take that on notice? It is using that as an example, but we have heard from the Government that it is wanting to do everything it can to protect these species that are closer to extinction. The other day Forestry Corporation was telling us at the koala inquiry that it had paused, that it was no longer logging unburnt forest while this assessment of the impact on threatened species was continuing, yet in fact in the Styx River State Forest they were continuing to log and the EPA realised that. You discussed it, did you, in terms of the extent of that logging on threatened species post fire—

**Mr FOWLER:** The existing logging activity? We have had discussions with Forestry Corporation about logging in both unburnt and burnt forest.

**The CHAIR:** After the fire, with the existing logging that was taking place, once you realised the extent of fire on threatened species, were any orders issued to State forests to stop logging in particular forests?

**Mr FOWLER:** No.

**The CHAIR:** So the conditions you were referring to were conditions for wanting to go into new forests post fire?

**Mr FOWLER:** Unburnt timber, yes—above and beyond the prescriptions that exist within the Coastal IFOA. The Coastal IFOA did not contemplate logging of burnt timber, and so the additional prescriptions are particular to logging of burnt timber.

**The CHAIR:** Did any of your ecologists within the EPA express concerns about the impact of the existing logging in State forests after the fires? Did any of your ecologists express concern that that logging may have a much greater impact now on species close to extinction?

**Mr FOWLER:** There were issues raised and concern raised about post-fire logging activity and the impact on species. I do not necessarily have the detail of which species and under what circumstances that advice would come up, but that was part of the information and the advice that we were taking from the ecologists from across the cluster, across the EES group in particular, that was then used to inform the decisions and those conditions and controls put into those site-specific conditions.

**Ms MACKEY:** I think it is fair to say that the EPA has responsibility for regulating forestry. It does not have policy responsibility in government for determining whether or not forestry should occur. The regulations that the EPA operates under talk about ecologically sustainable management of native forests and that is, if you like, the umbrella policy that EPA must fulfil its regulatory responsibilities around.

**Mr BEAN:** I think we can be quite clear that the sorts of concerns that you have raised fed into the process we undertook in developing the additional protections which have been imposed in relation to the logging that Forestry Corporation wishes to do in the burnt forests.

**The CHAIR:** Within the regulatory environment, then—say, post the catastrophic fire conditions that we had last summer—within the existing regulatory environment in which you have responsibility for threatened species, if you realise that 85 per cent of a certain species has been wiped out because of a catastrophic fire situation and there is 15 per cent left, and you happen to know that that 15 per cent—say, 150 individuals—resides within a forest that is about to be logged by State forests, what is your mechanism to protect that threatened species? Are you saying that currently there is nothing within the existing regulatory framework to say, "Please don't log that forest"?

**Mr BEAN:** No. I think it is true to say that we would look at the compartments that Forestry Corporation wished to enter. It has proposed large numbers of compartments and there are numbers of those compartments in which we have concluded it is not possible for logging to take place. As Mr Fowler said, for example, in the southern forests we identified two compartments in which those risks were low and we imposed additional conditions on forestry activity in those compartments to further mitigate the risks that did exist. It is not the case that Forestry Corporation is able to log wherever it likes and we have no role in that. We have—

**The CHAIR:** You had ecologists warning you, for example, of impacts. I just wonder whether the Styx River was included in the warning from your own ecologists, and therefore why you could not stop that logging that I understand was stopped yesterday but may have had a pretty severe impact on some of those species in that time.

**Mr FOWLER:** That existing logging of unburnt timber was being undertaken in accordance with the Coastal IFOA. Using statutory provisions to stop work—from a regulatory point of view, they were not available under those—

**The CHAIR:** There are none. That is, I think, what I was getting at.

**Mr JUSTIN FIELD:** To continue with that, if I could, Mr Fowler, if I understood that correctly, my questions are going to be related to forestry as well, but I might just seek clarification. If there was an existing approved harvest plan in place and fires went through—I understand a lot of Forestry Corporation staff participated in the firefighting effort. But after there was no risk anymore, if those forests were not burned and there was a harvest plan in place, there was no effort made by government, no consideration, to stop those activities, they had approval to go in and log those forests and they did that then no effort was made to stop those logging activities.



**Mr FOWLER:** My understanding is that those activities were continuing and they were logging legally.

**Mr JUSTIN FIELD:** Yes, I think that is clear. I think it would be quite shocking information for many of us to understand. I would like to ask some questions about the recently released *NSW Forestry Snapshot Report 2017-18*—if you can believe that is the latest we have got and it was only released in the last few weeks. It mentions, on page 53, an investigation finalised by the EPA in to Mogo State Forest:

As a result of the investigation an official caution was issued to Forestry Corporation for non-compliances related to felling of hollow-bearing trees, leaving harvesting debris around retained hollow-bearing and recruitment trees and excessive ground disturbance on snig tracks and crossbanks.

How was that investigation initiated?

**Mr FOWLER:** I am not aware of the specific circumstances, whether it was via a complaint. My understanding is that where there is harvest debris left on the forest floor, that is one of the things that we do get complaints about, particularly down in the south. It may have stemmed from a complaint or it could have stemmed from our proactive compliance work in those harvest areas.

**Mr JUSTIN FIELD:** If you could take that on notice, I would appreciate it.

**Mr FOWLER:** I could.

**Mr JUSTIN FIELD:** I have gone back through the audit register. The most recent audit I can see in one of the Mogo forest areas, or related to Mogo forest, is from 2015. I just want to understand if it took that long to resolve the investigation or if it was from a complaint.

**Mr FOWLER:** I am certainly happy to take that on notice.

**ANSWER:**

I am advised the investigation was initiated because of a complaint received by the EPA in June 2017. It is not related to the EPA's audit from 2015, which is in a different area of Mogo State Forest.

**Mr JUSTIN FIELD:** I know that there have been issues around leaving debris—and we spoke about that in the break—particularly in the northern end of the southern forest. It is interesting to me, given that the Coastal IFOA came in late 2018 when it was finalised, I think, that in 2018 there were 11 audits conducted by the EPA. I would have thought with new rules maybe there would be an increased audit program to make sure we were getting things right. But last year there were only three audits and I am trying to understand why.

**Mr FOWLER:** I do not have an answer specifically as to why there were only three versus 11. I guess moving forward, one of the opportunities that the EPA sees around forestry activity in particular is the need to ensure that we can be more responsive or agile where we have got these issues associated with significant environmental issues that we need to be regulating and that we can ensure that we have a focus on compliance and regulatory activity.

**Mr JUSTIN FIELD:** How does the EPA determine when and where audits are conducted?

**Mr FOWLER:** I would have to take that on notice, the regulatory planning. I do not have that information, sorry.

**ANSWER:**

I am advised this information is set out on pages 50 and 51 of the NSW Forestry Snapshot Report 2017-2018, which is available on the EPA website: [www.epa.nsw.gov.au/your-environment/native-forestry/integrated-forestry-operations-approvals/annual-reports](http://www.epa.nsw.gov.au/your-environment/native-forestry/integrated-forestry-operations-approvals/annual-reports).

It also states that the EPA purposefully shifted away from audits as the primary tool for assessing the compliance of forestry operations. Instead, the EPA has increased its use of field inspections. This change allowed the EPA to increase its regulatory oversight and focus its proactive program on assessing potential and known compliance and environmental issues.

**Mr JUSTIN FIELD:** Okay, I would appreciate that. If it is the case that you get lots of complaints, how do you make a decision about what complaints to investigate?

**Mr FOWLER:** We will examine and investigate all complaints, so all complaints received through our public reporting are allocated out to operational areas within the organisation and investigated to determine what an appropriate outcome would be.

**Mr JUSTIN FIELD:** Those investigations could lead to an audit, or is that a separate process?

**Mr FOWLER:** I think potentially they could, depending on the circumstances and what has been identified off the back of the complaint, around forestry activities for example. But more broadly it could lead to a suite of regulatory outcomes, any of a number.

**Mr JUSTIN FIELD:** I could go on and look at audits that are conducted, but it seems very difficult to marry up the audit register with the annual reports. You have mentioned three audits in the 2017-18 snapshot and that does marry up with the audit register, but then you mentioned this investigation that does not link anywhere. If it is related to investigations, how could a member of the public know whether there are investigations active in a forestry area that they might be concerned about? Is there a public register for investigations?

**Mr FOWLER:** There is some information about ongoing investigations on the website, but I would not necessarily consider it to be comprehensive information. It is an area that the EPA generally has been looking at in terms of transparency and openness for the information in our regulatory work.

**Mr JUSTIN FIELD:** In addition to members of the public making a complaint, does the EPA monitor public discussion, newspapers et cetera? I will be honest, I have gone around to a lot of forestry groups with members of the public who are concerned and there is not a high level of awareness for many people about how they engage in this process and so there is a frustration historically and a feeling that the EPA does not do anything. That is certainly how it has been expressed to me in the past. Do you monitor public discussions, newspaper articles et cetera? Often concerns turn up in those forums before they get officially raised with the EPA.

**Mr FOWLER:** There is media monitoring that will pick up issues that are associated with the EPA's business and environmental regulation, absolutely. That gives us an opportunity to see some of the discussions that might be happening out in the community. But there are also particular community members who are in open discussion with our staff around issues that they are seeing on the ground. They are not necessarily going into an environment line report—we will be taking them direct from community members, in some instances.

**Mr JUSTIN FIELD:** Can I maybe raise with you directly here the issue that I have seen in the area of State forest right adjacent to the Murramarang National Park, down near South Durras. I forget exactly the name of the State forest at the moment, but the level of debris on the ground there the community has been complaining about for some time. It is adjacent to some of the last remaining unburnt areas of the South Coast National Park. It does seem to me that it warrants an investigation from the EPA.

**Mr FOWLER:** I understand that the harvest debris that is left on the floor of the forest, the issue under the IFOA is that it is associated with habitat trees or hollow-bearing trees, because debris effectively impedes access to the tree, if you like, for certain species. In terms of fire risk et cetera, it is more a land management issue that Forestry Corp needs to be considering, I guess in consultation with Rural Fire Service.

**Mr JUSTIN FIELD:** I can assure you that there is so much debris on there it is definitely butting up against every stemming tree that is left in that particular area. I am learning about this space and as I was looking at the audits I was seeing issues of debris being raised very, very commonly within the audits. How do you make decisions about areas of priority for audit investigation? It seems to me either lessons are not being learned or the contractors just do not feel like there is sufficient deterrence from doing the right thing here. How do you make decisions about what to investigate?

**Mr FOWLER:** As I said, on receipt of a complaint or an identification of potential non-compliance, they are investigated. The issues associated with the non-compliance, the severity, the risk associated with the non-compliance, the behaviour of the individual et cetera would inform what the ultimate regulatory outcome might be. Escalating regulatory response, where you have got continued concerns around behaviours, will lead to, I guess, a pointier-end regulatory response or compliance enforcement response.

**Mr JUSTIN FIELD:** As I understand, the protocol that relates to waste—and I agree it is where it butts up against hollow-bearing trees or habitat trees—is protocol 23.3, I think. The penalty infringement notice amount that can be issued is \$5,500. Do you know how many times that has been issued?

**Mr FOWLER:** No, I can take that on notice.

**ANSWER:**

I am advised the EPA has issued no penalty notices in the last five years for piling harvesting debris around habitat trees during forestry operations under an Integrated Forestry Operations Approval.

The current penalty notice amount for such an offence is \$15,000.

**Mr JUSTIN FIELD:** I would appreciate that. I will pick up one other issue on this point before I move on. Just to confirm, I think that you are right that the fire risk associated with forestry activities might be leaving waste or other things and that is not captured anywhere under the Coastal IFOA.

**Mr FOWLER:** That is my understanding; from a fire risk point of view, the harvest debris is associated with habitat trees left.

**Mr JUSTIN FIELD:** Do you think in the context of this summer's experience that might be something that we should consider incorporating into forestry rules in New South Wales?

**Mr BETTS:** You do not have to express an opinion on that. That can be picked up in the inquiry, which Mary O'Kane is leading.

**Mr JUSTIN FIELD:** I will certainly raise it in future hearings of budget estimates, but it seems there are very high expectations on National Parks around fire mitigation, fire management. This seems like an obvious high-risk area that is not being dealt with. Thank you, Chair.

**The CHAIR:** Back to the Hon. Penny Sharpe.

**The Hon. PENNY SHARPE:** I want to go back to the future National Parks and Wildlife Service—I know that you have agreed to provide some extra information about who was reallocated and those kinds of things across the cluster. I want to confirm that there was a whole process, essentially, with the field officers and so 380 were deleted and then 451 were created, which meant in the end that we have 71 additional field officers across the State. Is that right? Dr Fleming may be the person to answer.

**Mr BETTS:** He's had his doctorate taken away, I see.

**Mr FLEMING:** Mr Fleming is accurate and fine. I can say the actual number of field officer positions at July 2017 is 650 and at 22 January 2020 is 709.

**The Hon. PENNY SHARPE:** Right, but what I am saying is that at the end there is a net additional 71.

**Ms MACKEY:** I think that is what was proposed in terms of future park. There are a number of documents around what was proposed, so without seeing the particular source of that information, it is quite hard for us to correlate whether or not that figure is correct.

**Mr FLEMING:** I was giving you actual FTE from those two dates.

**The Hon. PENNY SHARPE:** Given what you are saying about what was proposed and what actually happened—and I know you are coming back to me with more information on that—can you confirm that there was a position for a helicopter pilot cut from that process?

**Mr FLEMING:** I will have to take that on notice.

**ANSWER:**

I am advised in July 2017 there were 650 full time equivalent (FTE) field officers employed. The figure on 22 January 2020 was 709 FTE (an increase on 2017 numbers of 59 FTE).

Aviation roles including helicopter pilots were not in scope for the restructure. As at July 2017 there were 6 FTE helicopter pilots. This figure is unchanged as at 20 March 2020.

**Ms MACKEY:** I think it is helpful to point out that this process was now quite a number of years ago.

**The Hon. PENNY SHARPE:** It was 2017, not that long ago.

**Ms MACKEY:** That is when it was finalised, but it was actually underway for a couple of years before it got to that point of being: Here's what's proposed. Given that there was never full implementation of those arrangements, it is difficult for us to talk about what was proposed when we do not have actuals. What we collect in all of our systems is actuals and that is why it is difficult for us to be able to agree or disagree with particular figures around what was proposed.

**The Hon. PENNY SHARPE:** That goes to the heart of what we are trying to do here. We are interested in the National Parks and Wildlife Service and the broader roles within the environment department, however described or currently configured, having the resources that they need. We are in a constant discussion about numbers and who is in or out. This is the reason why we are going to continue to ask those questions. I know that it is frustrating for you, but it is important for us to understand the full picture. Our issue is: Does the department have the number of people that it needs to do the job? We are provided with information that suggests that many senior people have left the department—I do not think there is any disagreement about that—over time. Every time we say to you that you have made cuts, you come back to us and say, "We have more people than we have ever had before." The point that I am trying to make is that you have lost a lot of corporate knowledge and a lot of experience and most of the replacements or the new people are essentially very junior compared to the expertise that was there before. That is what I am trying to get to the bottom of.

**Mr FLEMING:** I can comment on that briefly. If you look at the performance of the organisation, in particular over the last few months, it was an exceptionally difficult time and the organisation has performed extremely well. If you look more broadly, over the last few years, in terms of its performance on fire management, we are meeting all of the targets and requirements the Government has put in front of us. I think the record shows that the staff team that is in place has all of the skills and experience that is necessary to deliver on the Government's agenda and that is what we have been doing. You are raising a question of essentially whether we have the capacity and experience, and I think the answer is yes based on our record. To the extent you are asking about future resources—

**The Hon. PENNY SHARPE:** You could not do with more scientists?

**Mr FLEMING:** I think, to the extent you are asking about future requirements and future resources, that is what in part is being addressed in the inquiry around fire management. Beyond that is really a question for government.

**Ms MACKEY:** I think it is also important to point out that the reason National Parks and Wildlife Service is within the Environment, Energy and Science group is because Parks draws on the significant science team that we have and also the team within Biodiversity and Conservation. They are working together. They might not be within the Parks numbers, but absolutely that expertise is important to draw on for Parks as well as for other land tenures.

**The Hon. PENNY SHARPE:** But you have access to fewer scientists than you had five years ago. Is that true or not?

**Ms HAWYES:** I might add to that. The science division is in my portfolio and there are dedicated teams doing particular streams of work. But it leverages far greater expertise for the networks, relationships and partnerships it has with universities and research institutions around the country and internationally. It is greater than the sum of its parts.

**The Hon. PENNY SHARPE:** Sure, that is true, but you have also just said that you have slashed your consulting funding, so getting the input from some of those is no longer possible.

**Ms MACKEY:** Much of the input we get from experts is through a range of committees and expert advisory panels that are well-established across the portfolio. Those have not been cut as a part of the process of finding savings for this year.

**The Hon. PENNY SHARPE:** How many ecologists are there within the National Parks and Wildlife Service?

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

**The Hon. PENNY SHARPE:** Can you also tell me how many senior scientists there are, or how many scientists in total, just within National Parks?

**Mr FLEMING:** Again, I would have to take the specifics on notice. I would comment that when I was quoting fire severity statistics earlier, that was from the science team. We get great support from—

**The Hon. PENNY SHARPE:** Was that the science team that Ms Hawyes—

**Ms MACKEY:** That is right.

**Mr FLEMING:** Within EES, but not within Parks. Similarly, a lot of the work that is done around threatened species involves scientists—the mountain pygmy possum work, which has been very successful since the fire, involved Ms Malloy's team and leading scientists within her team.

**The Hon. PENNY SHARPE:** Do you have any ecologists at all?

**Mr FLEMING:** Yes, there are certainly—

**The Hon. PENNY SHARPE:** The actual number can be within National Parks.

**Mr FLEMING:** There are staff within National Parks who have science degrees, certainly.

**The Hon. PENNY SHARPE:** No, that is not what I am saying. Are there any actual people with "ecologist" as part of their—

**Mr BETTS:** We will take it on notice.

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

**Mr FLEMING:** I will have to take it on notice, sorry.

**The Hon. PENNY SHARPE:** You do not know if you have any?

**Mr FLEMING:** I know there are staff with science degrees but I cannot remember all their titles.

**ANSWER:**

I am advised Senior scientist, scientist and ecologist are not role titles or classifications used in the current NPWS structure. A large number of NPWS employees have tertiary science qualifications and undertake scientific work as part of their duties, however, the number of staff with these specific qualifications is not centrally recorded.

Scientific services are principally provided to NPWS by the Department's Science Division.

**The Hon. PENNY SHARPE:** That is not the question that I am asking. I want to ask about Park Air. My understanding is that there has been quite significant employee turnover in the past 18 months. Is that true?

**Mr FLEMING:** I do not have the turnover number off the top of my head.

**The Hon. PENNY SHARPE:** Could you provide that to us and also provide how many FTE there are in that unit?

**Mr FLEMING:** Yes.

**ANSWER:**

I am advised that there are currently 16 full time equivalent staff in Parkair.

Over the last 18 months:

- six staff members have been temporarily transferred to other National Parks and Wildlife Service roles or granted temporary leave
- three staff members have resigned
- five staff members have been recruited.

**The Hon. PENNY SHARPE:** I want to ask questions about the EPA and the structuring of the EPA under the new arrangements. The EPA has been an independent agency. Can you explain to me how that independence was operating, given Mr Bean is acting CEO and Ms Mackey is acting in the position that sits over

the top as coordinator-general and presumably reports to the Minister? How is the governance and independence of the EPA working under the current arrangements? How is it going to be resolved, given you have so many people acting?

**Ms MACKEY:** I think I might start with that one. In terms of the EPA being an independent statutory authority, none of that has changed. Part of the reason that we went through the process of identifying an interim CEO for the EPA is to ensure that that independence is maintained. Mr Bean can talk to the governance arrangements and his role as CEO. I am clear, now I am within the cluster in the acting coordinator-general role, that there are different governance arrangements than while I was in the EPA. As I provided to the Committee last time, in October, those arrangements include that the coordinator-general has a relationship with the EPA in terms of the CEO of the EPA being part of the broader leadership team of the Environment, Energy and Science group.

**The Hon. PENNY SHARPE:** Does that mean that you receive briefs from the EPA as the acting coordinator-general?

**Ms MACKEY:** Only where it relates to an issue that would cross into the broader Environment, Energy and Science arrangements, and not with regard to advice from the EPA about decision-making or regulation.

**The Hon. PENNY SHARPE:** You understand that our concern is that, given the cluster arrangements and the importance around planning and the role of the EPA, we want to be assured that that independence is being properly maintained?

**Ms MACKEY:** Absolutely.

**Mr BETTS:** Just to put it on the record—

**The Hon. PENNY SHARPE:** How are you managing that, Mr Betts?

**Mr BETTS:** The EPA's independence is not compromised by the existence of the Environment, Energy and Science group. There is no command-and-control relationship between the function that Ms Mackey is currently occupying and the one that Mr Bean is currently occupying. Obviously, there is a board that sits over the top of the EPA, one of the functions of which is to preserve the integrity of its independence. But that independence—and I know this from my own previous incarnations—does not mean isolation. You can be a thoroughly independent regulator and perform your functions very adequately but still be able to inform, participate in, have visibility around policymaking processes more broadly across government.

**Ms MACKEY:** As we have talked about today, which was about forestry that has involved input from across Environment, Energy and Science and, indeed, more broadly across the cluster, that is an example of where we are working together. But once it gets to the regulation of forestry, that sits in the domain of the EPA.

**The Hon. PENNY SHARPE:** That sounds messy to me. I was going to ask Mr Sridher about the targets, but if you can provide those to us on notice that would be great, because I am running out of time.

**ANSWER:**

Please refer to my earlier response regarding waste recycling rates.

**Mr BETTS:** Would it be possible for me to give some information, which was requested by Mr Searle earlier on, related to the status of the planning application for Port Kembla gas terminal?

**The Hon. PENNY SHARPE:** Yes.

**Mr BETTS:** It has received a planning determination, but that is now subject to a modification to increase its capacity. That is currently at the assessment phase and we would expect a determination within a matter of weeks, rather than months, on that one. The Newcastle gas terminal is currently in the phase of preparing an environmental impact statement.

**The Hon. ADAM SEARLE:** Thank you.

**The Hon. PENNY SHARPE:** I am interested in two issues particularly—and Mr Beaman started to talk about this when the Minister was here. The first is: How is hazardous waste going to be dealt with in the clean-up post bushfires, given my understanding that there is limited capacity to manage that at a local level?

**Mr BEAMAN:** I have actually got some good news to report.

**The Hon. PENNY SHARPE:** I love that!

**Mr BEAMAN:** Yes, it is fantastic. I will take one step back, actually, so the Committee has visibility. The recovery effort really stems out of the State emergency management framework. There is a document called *ENVIROPLAN*, which sets us up for preparation for response—during the fires, our activities during response and the recovery phase. As part of that framework there is a State recovery committee, which is chaired by the secretary for the Communities and Justice cluster. That has all the agencies on it. That gives you what they call an all-agency response—it is almost you cover up your name tag and put the efforts of government to solve the problem at hand.

We have the State-level committee and the State committee has committees under it. The State committees have health and welfare, business and tourism, but the one that is really important to this Committee is that there is an environment and waste subcommittee. It actually sits at the big table, so to speak, where these issues are ventilated in the open. Then the way the structure works—

**The Hon. PENNY SHARPE:** That is good, but where is the asbestos going to go?

**Mr BEAMAN:** —and then there are regional committees that sit below that and take in the engagement of local government. The fire goes through, which has been the issue we have talked about today, and for us to do the assessment we have to do these things called multi-agency building impact assessments, where public works advisory is engineers, EPA and Fire and Rescue. We have to go back out to those communities—everyone has been talking about hectares, but these multi-agency building impact assessment teams have done 41,000 structure assessments.

**The Hon. PENNY SHARPE:** I think that is terrific. I have been on the ground with people who have lost their houses and are ready to clean up. They are traumatised and they still cannot clean up, yet it has been months.

**Mr BEAMAN:** We had to do those assessments so we can work out how much material needs to be collected. As part of the multi-agency teams, what the EPA does is work out what materials on the site are hazardous, like asbestos or treated timbers.

**The Hon. PENNY SHARPE:** You do realise that there is conflict between sometimes people having their own public works assessment and what the EPA is saying and then what the contractor is saying?

**Mr BEAMAN:** Not in terms of the building impact assessment, because that is not the case. Actually when we go on site and we suspect the material may contain asbestos, we actually take samples and get them tested.

**The Hon. PENNY SHARPE:** Mr Beaman, the clock is ticking. My question is: How much asbestos is there, given you have done 41,000 assessments, and where is it going to go?

**Mr BEAMAN:** About 30 per cent of the buildings we have assessed contain asbestos, which sits with the historical average around the amount of asbestos in buildings in New South Wales, so the number is right.

**The Hon. PENNY SHARPE:** Yes, but you have not had to dispose of it. I have more questions—

**Mr BEAMAN:** The job of this committee has been to work out where the disposal locations are. There is enough landfill capacity, local government and the private landfills that operate such as Woodlawn in Goulburn and the big western Sydney landfills. According to the current data we have, we can safely dispose of all that material that has been generated by the incident.

**The Hon. PENNY SHARPE:** That is really interesting but it is not the advice that I have been given.

**Mr BEAMAN:** I have lived the dream for about six weeks now. I have personally written to all the councils giving them what those local waste arrangements are. We are getting feedback from those councils on those waste arrangements.

**The Hon. PENNY SHARPE:** We will follow that with interest. I quickly want to talk about the EPA realignment. My understanding is the EPA is currently going through a staffing realignment. Who is able to tell me about that?

**Mr BEAN:** Yes, I can talk to you about that. That is true.

**Mr BETTS:** Do you have a question?

**The Hon. PENNY SHARPE:** Yes. Are there any positions that will be deleted as a result of the realignment.

**Mr BEAN:** No.

**The Hon. PENNY SHARPE:** All positions will remain?

**Mr BEAN:** Correct.

**The Hon. PENNY SHARPE:** Is the realignment going to be delivering savings to the Government?

**Mr BEAN:** No.

**The Hon. PENNY SHARPE:** There is no cost?

**Mr BEAN:** The realignment does not exist in order to remove positions or save money.

**The Hon. PENNY SHARPE:** My understanding is that there are some changes where some specialist roles are going to become generalist roles. Is that correct?

**Mr BEAN:** No.

**The Hon. PENNY SHARPE:** Why do people think that that is the case?

**Mr BEAN:** Because we are realigning how work is done and where we formerly had teams comprising specialist groups, who did one particular type of job—

**The Hon. PENNY SHARPE:** Contaminated lands or waste or radiation orders, yes.

**Mr BEAN:** —for example, those specialties and those special skills remain, but they will not be contained in a team that does only that. Those people will be aligned differently, so that, for example, we have a division, which is regulatory operations division, and there will be teams in that division that contain people with different specialist skills.

**The Hon. PENNY SHARPE:** There have been some concerns raised with the Opposition about the process that happened previously with the pesticide officers, the changes that led to, as a result of this kind realignment, less enforcement around pesticides. Can you respond to that?

**Mr BEAN:** No, I am not aware of that. That is a historical matter, I am guessing. I had no indication that that is likely to occur this time and it is not our intention.

**The Hon. PENNY SHARPE:** No staffing, no downgrading positions.

**Mr BEAN:** Correct.

**The Hon. PENNY SHARPE:** On the waste levy, my understanding is that \$20 million of the Biodiversity Conservation Trust is being funded from the waste levy via consolidated revenue. Can somebody confirm that for me?

**Ms HAWYES:** We have the head of the bio trust right here, so he probably can.

**The Hon. PENNY SHARPE:** He is the one who told me, at the koala inquiry, so I am happy for him to confirm that. There is a method to the madness.

**Mr ELTON:** Yes. Ms Sharpe, the Biodiversity Conservation Trust receives grants from the Government each year, which have been escalating up to \$70 million per annum in the next financial year. I think it is \$65 million this year. Some \$50 million comes from the Climate Change Fund as a grant from the department. The other \$20 million comes to us as consolidated revenue through the department and I understand—

**The Hon. PENNY SHARPE:** But it is via the waste levy?

**Mr ELTON:** —it is hypothecated from the Waste and Environment Levy. That is my understanding, but it might need to be confirmed by others.

**The Hon. PENNY SHARPE:** Mr Betts, would you agree with that assessment? Or Ms Mackey?

**Ms MACKKEY:** We would have to take that on notice in terms of the source of the funds.

**The Hon. PENNY SHARPE:** It is an unusual arrangement. If you could also provide information to the Committee on notice whether other environmental programs are being funded via the waste levy or via consolidated revenue hypothecation, that would be most appreciated.



**Mr ELTON:** I can clarify that the original government decision was for the money to come from the Waste and Environment Levy, but a year or two ago—we would have to take the detail on notice—that was changed to be a direct allocation from the Consolidated Revenue Fund. I do not have any line of sight to whether there remains any nexus between that component and the Waste and Environment Levy.

**ANSWER:**

I am advised that in 2016, the NSW Government approved part of the Biodiversity Conservation Trust's (BCT) funding, \$47 million over the five years from 2016-17 to 2020-21, being drawn from the Waste and Environment Levy Envelope (WELE). This funding arrangement was reflected in a memorandum of understanding signed by the BCT and the former Office of Environment and Heritage (OEH) on 12 March 2018.

On 6 November 2018, the CEO of OEH wrote to advise the BCT that from 1 July 2019, funding previously provided via the WELE would be provided directly as recurrent funding from the then Department of Planning and Environment. On 19 November 2018, the BCT and OEH signed a revised MOU to reflect this new funding arrangement. This arrangement remains in place.

All waste levy revenue is returned to the Crown. Approximately one third of waste levy revenue is provided as consolidated revenue to create the WELE. As part of the NSW State Budget process, a range of Environmental and Waste programs are delivered with funding from the WELE.

**The Hon. PENNY SHARPE:** Thank you. Mr Betts will get that for me.

**The CHAIR:** My first question is in relation to an incident that occurred recently at Maules Creek coalmine—this is an EPA question—and some contamination of the Namoi River a couple of days ago. Firstly, are you aware of contamination from Maules Creek coalmine? The clean-up notice has been issued. Let me just find the date. This was just over the weekend. The clean-up notice was dated 21 February. Essentially what I understand is that Maules Creek coal at Whitehaven there are these expandable polystyrene balls that explosives are packed in and they have just spilled all through the Namoi River. Are you aware of that?

**Ms DWYER:** We have issued a clean-up notice to a matter at that site in relation to polystyrene foam balls that have left the site.

**The CHAIR:** What measures does the EPA take in that situation to ensure that aquatic animals and birds are safe? Is there clean-up beyond what the company does and how do you check that, or monitor it, I should say?

**Ms DWYER:** The clean-up is not just on-site at the premises. It is an offsite clean-up as well. That matter is quite new, so we are in the early stages of conducting an investigation for that incident.

**The CHAIR:** I understand that there was also a visit last year to the Maules Creek mine on 8 August by the EPA. I understand that a verbal warning was issued because of the fact that the expandable polystyrene balls were not being contained within the explosives depot and that they were not being stored in the right location and in the right kind of receptacle. That was a verbal warning. Are you aware of that?

**Ms DWYER:** I am not aware of that particular warning.

**The CHAIR:** Would it be appropriate at that stage for something like that—I understand as well that Whitehaven Coal was charged in March 2019 for the same issue—there would be some kind of follow-up to ensure that the verbal warning was taken into consideration?

**Ms DWYER:** As I said, there is a current investigation underway for this incident. That investigation needs to go through its processes and then determine whether the appropriate steps have been taken along the way.

**The CHAIR:** I suppose it is more of a process question within the EPA. If there was a verbal warning to a company that has a track record, is there generally a follow-up inspection to ensure that they have complied with a verbal warning?

**Ms DWYER:** Normally there would be a follow-up process to determine compliance.

**The CHAIR:** So it sounds like that was not done and now the Namoi River catchment is—

**Ms DWYER:** I am unaware of the verbal warnings, so I cannot comment on the actions, but I can take it on notice to find out what actions have occurred.

**ANSWER:**

I am advised the EPA did not issue a verbal warning to Maules Creek Coal Mine during its inspection on the 8 August 2019. Rather the EPA verbally advised the mine to clean up expandable polystyrene balls (EPBs) that were observed on the ground in the explosives depot, and to take action to prevent the EPB's being lost during loading operations. The mine gave an undertaking to do this immediately. The EPA's instructions did not relate to inappropriate storage of the EPBs. Rather it is alleged that EPB's were prone to being blown by wind when they were being loaded into the explosives mixing truck.

**The CHAIR:** Now, in relation to the bushfire recovery, I just wanted to get a sense of what the department is doing to survey the impact of the fires on hollow-bearing trees around the State.

**Ms HAWYES:** We started this discussion this morning. Within science we have a dedicated team who have worked incredibly hard over the season—I need to acknowledge that—to undertake fire impact and severity assessments because that is fundamental to inform how we prioritise going forward. They have quickly done that work, it is publicly available and they are refreshing it as they determine more and have a greater understanding. There is also ground truthing work underway. My colleague from the Saving our Species program can talk to some of the ground surveying work that is being undertaken. In terms of the engagement with others, we talked before about many people having concerns, and we are dealing with many people ranging from Professor Chris Dickman through to the Threatened Species Scientific Committee—all of the kinds of stakeholders you would expect—to bring together those insights and help inform the next phase of recovery planning.

**The CHAIR:** So are there any actions being undertaken to identify habitat trees potentially outside of national parks as well, on roadside or private land?

**Ms HAWYES:** There is work underway. Mr Elton, who is here from the trust, can talk to the work underway with private conservation agreement landholders. Ms Molloy might want to speak to some of the work within Saving our Species. Simultaneously, whilst we are trying to understand and inform the full extent of what has occurred for longer term recovery, a whole lot of work has commenced and will be sustained to sustain wildlife in fire-impacted areas while we develop these longer term plans.

**The CHAIR:** Of course there has been a significant number of habitat loss and masses of hollow-bearing trees were lost even just in roadside clearing. The question is also around supporting hollow habitat, whether that be logs that have fallen, but also investment in permanent nesting boxes. I just wonder what the department is doing on that?

**Ms HAWYES:** There is a whole lot of work coming together, including work with salvage rescue operations and translocations and all kinds of work that we coordinate activity on.

**Ms MOLLOY:** I can add some commentary around the Saving our Species program, which is looked after by my team in collaboration with national parks staff and also with our science and policy colleagues. You will be well aware that we are investing in approximately 400 species and have been over the past four years. We are four years into a five-year program. With the drought and then the subsequent bushfires we have been adaptively managing how we rollout action on the ground for those species. As part of our post-bushfire analysis we have had to go through each of those species and projects. Some of them are site-managed projects, some of them are landscape-managed projects across different land tenures and we have had to look at those species one by one and where we have invested and whether those sites have been impacted or not. So we are starting that process now.

**The CHAIR:** Sorry, just to clarify, since this year?

**Ms MOLLOY:** This year, yes.

**The CHAIR:** Since the fires? So that is 400—

**Ms MOLLOY:** We already had started that process as part of the drought. Obviously for the species it is not just the fires, it is the drought as well, so we have been looking at that and adaptively managing over the last 18 months where we invest and where we may change our investment into the future. The fires have added an additional complication to us in terms of how we deliver Saving our Species. In order to get value for money

and to target where we need to go in the future, we have been looking at those species one by one. That is a huge task. We are doing that in consultation with the assessment that has been done around fire intensity. The other mapping that has been done by science, we are trying to ground truth. Probably the first thing we have done, as per what the Minister talked about this morning, was our immediate response.

We have been helping with that immediate response, and that is for mountain pygmy possums, brush-tailed rock wallabies, through drinking stations for koalas, there have been various aquatic species taken into care, plus assurance populations and seed banks. We have been trying to do that immediate response in relation to Saving our Species. Dr Fleming might want to add to that or Mr Elton might want to follow up.

**The CHAIR:** Just to follow up from what you have said, you are undertaking this analysis of 400 species in ecological communities as well?

**Ms MOLLOY:** Yes, there would be a mixture in there. They are mainly specific species, but I have not got the whole 400 in front of me here.

**The CHAIR:** When you are having to realign and work out what the priorities are, have you been working on any budget submissions that give you a best-case scenario in terms of budget funding, or asking for increased funding given the scale of the job and what that would look like? For example, have you said, "This will actually require a doubling of the funding that we have and we may be able to get somewhere with these 200 species"? I assume you model a range of different budgetary considerations.

**Ms MACKEY:** The work that Ms Sharon Molloy and the team are doing around Saving our Species is being picked up in that medium- to longer-term conservation recovery plan that we are working on, which is joined up with the budget process going forward. That is one stream of work that sits under that broader recovery arrangement.

**The CHAIR:** That was not the question I asked because I know that you would be working within your departments on a range of different budgetary scenarios. You would probably have something in terms of the \$72 million or \$82 million efficiency dividends that you had to find within the department, for example, to submit, or, given the changed environment and the impact of the fires on threatened species, perhaps there has been some ambition within the department—and you have put forward, for example, "Here is what a 20 per cent increase would look like," or, "Here is what we could do with a 50 per cent increase in our budget." Has the department modelled anything in relation to a higher budget from Treasury to save more species, given the impact of the fires?

**Ms MACKEY:** We are not predicating the work that we are doing in the medium- to longer-term plan on scenarios of what might be with different funding outcomes. We are looking at what do we need to support the medium- to longer-term recovery of the environment and there are, as I have said, a range of streams of work that sit in there. We are still working through the budget process so we have not done "Here's how much we need to deliver that". That is the piece that we are working on at the moment and that will be part of the budget process.

**The CHAIR:** If you are saying, "What do you need to deliver a range of environmental outcome scenarios post-fire?" you need more money than your existing budget to deal with all of the impacts on species post-fire.

**Ms MACKEY:** That is why we are progressing it through the current budget process.

**Mr JUSTIN FIELD:** Ms Hawyes, this might be for you. I wanted to return if I could to marine parks and in particular Batemans Marine Park, the pilot that is underway and the decision to lift sanctuary protections through the amnesty late last year. I want to confirm and get an understanding of what this process looks like for concurrence and providing advice to the Minister. I understand decisions have been made now but we have got the pilot process to go, where I hope some of the issues that might have been created through the amnesty can be addressed. Can you explain how the decision-making that involves the environment Minister actually works?

**Ms HAWYES:** The Minister's role in terms of the regulation is around approval to draft a regulation for public consultation. My understanding is that that will occur.

**Mr JUSTIN FIELD:** That is for the sanctuary protection.

**Ms HAWYES:** That is right. Isn't that what you are asking?

**Mr JUSTIN FIELD:** We will start there, yes.

**Ms HAWYES:** Should that proceed, that would be open to public submission. Whatever changes may arise from that the Minister would have a concurrence role.

**Mr JUSTIN FIELD:** Can you maybe explain how that might be different for the pilot process where, as I understand it, the existing marine park including the zonings that exist is being assessed against the new threat and risk model and essentially a new management planning process and so they are adapting the marine park to this new management planning process? How is it envisaged that the environment Minister will have concurrence with that process, because it might be more than a regulation? It might involve a whole heap of other management actions. How will that work?

**Ms HAWYES:** Through the end product, the final plan itself. There is also the Marine Estate Management Authority of which we are party. That is an advisory source of advice for those decisions too.

**Mr JUSTIN FIELD:** What sort of advice does the Minister get, either when it comes to seeing this new regulation come up or seeing the final product? How is he advised other than through the fisheries DPI staff that are putting together the majority of this work?

**Ms HAWYES:** Through the Marine Estate Management Authority and/or through requests for advice or proactive advice through the department, through the area that I am in.

**Mr JUSTIN FIELD:** What skills exist within that area—outside of fisheries, within the—

**Ms HAWYES:** In the policy and science.

**Mr JUSTIN FIELD:** Yes, I guess you would describe it as the Minister's staff—outside of the agriculture Minister's staff—in terms of marine and estuary science. I guess what I am concerned about is that in the past we have had two Ministers with two teams. I know it has been difficult in this space because you have sort of had a bit of tit for tat. But now I am worried that what you get is a single consolidated bit of advice that comes up to these two Ministers and we do not have some of the natural tensions that used to exist. Now we have a situation where one Minister just wins out over the other. I just want to know that he is getting the best advice about the ecological impacts of making decisions about particularly spatial management in our marine parks.

**Ms HAWYES:** Sure. Obviously the science division is full of scientists and many of those are ecologists by trade. I can provide you advice about what teams work on what, but there is a workforce of dedicated ecology scientists, water scientists, coastal estuarine—

**Mr JUSTIN FIELD:** Saltwater coastal?

**Ms HAWYES:** Yes. There is a range of diversity and skills in the science portfolio more than capable of providing advice on particular issues as they arise. In the case of the marine parks the fisheries aspects are managed by fisheries and they have access to fisheries scientists in their portfolio.

**Ms MACKAY:** The biodiversity and conservation team also has some specialists in terms of aquatic and so they certainly feed into the process as well.

**Ms MOLLOY:** We have coast, flood and estuary teams—regionally based teams—in each of my branches and also equivalent then west of the Great Divide dealing with environmental water issues. They have expertise in coast, estuary, water quality and marine environment and they work collaboratively with the science branch in terms of delivering that advice to the Minister as is required.

**Mr JUSTIN FIELD:** We sort of went to this this morning but I want to confirm again: Was any additional advice from what you describe as the environment Minister's team provided with regard to the concurrence decision that he gave on 12 December 2019?

**Ms HAWYES:** The advice provided by me was around the role of the Minister in approving a draft regulation. The Marine Estate Management Authority will also be providing advice on that draft regulation as it proceeds.

**Mr JUSTIN FIELD:** No, I am talking about the concurrence that has already been given. I know that they will provide advice. They were not asked. We have already established that last week in estimates. So it appears that they did not have a say or even know that the decision was being made. The Minister did not get any science-based advice about giving concurrence on 12 December as to his role.

**Ms HAWYES:** I am not aware of any advice that the Minister may or may not have had from the primary industries portfolio.

**Ms MOLLOY:** I do not know of any either.

**Mr JUSTIN FIELD:** What does it look like then? Clearly there is documentation provided by public servants. Is it, "Minister, this requires your signature of concurrence and here is the briefing note that goes with it," and it is just the DPI's one? Is that what happened?

**Ms HAWYES:** To enter into a public process around the drafting of a regulation.

**Mr JUSTIN FIELD:** What you are saying is it was just a procedural thing at that time.

**Ms HAWYES:** Correct.

**Mr JUSTIN FIELD:** Even though that has effectively opened up fishing in a number of marine sanctuaries including two around Montague Island, at which we have threatened species known to exist.

**Ms MACKEY:** As the Minister indicated this morning, his concurrence was not required for that particular decision but he provided that. But with any change to the regulations a concurrence is required and there will be detailed advice that comes from this area of the cluster.

**Mr JUSTIN FIELD:** Was any legal advice provided as to whether or not it is legal for an amnesty against prosecution to be granted by the Government?

**Ms HAWYES:** Not that I am aware of.

**Ms MACKEY:** I think that is a question for Minister Marshall, with responsibility in that space.

**Mr JUSTIN FIELD:** I might come back to this in questions on notice, if I could. I understand that the second pilot that is going to be conducted relates to the Port Stephens marine park. I think the way DPI fisheries has been running the consultations is to do internal government stakeholder consultation and then go out for public consultation. Have there been any internal discussions around how the pilot for the Port Stephens marine park will be undertaken?

**Ms HAWYES:** I think you are straying into areas that are best answered by another Minister and portfolio because I am not across the detail of processes that colleagues in fisheries are going through to consult with their stakeholders.

**Mr JUSTIN FIELD:** I guess I am trying to understand at what point the environment Minister's team becomes aware of the work that is being done there. It seems like for a lot of the process around the management of our marine parks, which to a large degree are there to manage the ecological values of the marine estate, you come in towards the very end of the process when there is a lot of inertia behind some of these decisions already. I am just trying to get a better handle on at what point do they engage with the environment key staff within government.

**Ms HAWYES:** Around the marine estate strategy there is really strong engagement and various governance forums to bring those agencies together.

**Mr JUSTIN FIELD:** So the Marine Estate Management Authority [MEMA] did not even know that the decision around the amnesty was being made.

**Ms MACKEY:** The issue with regard to whether or not they knew is something that sits under the domain of Minister Marshall.

**Mr JUSTIN FIELD:** This is my concern. The point of engagement for the environment Minister is through the MEMA to a large degree—

**Ms HAWYES:** Around the marine estate strategy.

**Mr JUSTIN FIELD:** —but they were not even engaged by the agriculture Minister. I am just really concerned that the process here has been quite amiss.

**Ms MACKEY:** The process is quite clear around when there is a concurrence required by the Minister for the Environment that there is engagement at an officer level within the agency as well as at a ministerial level, and Environment, Energy and Science provides advice to the environment Minister around that concurrence.

**Mr JUSTIN FIELD:** Maybe you cannot answer this question because I know it is not your Act, but obviously there are threatened species, there are key issues around estuary management as well and I am asking for an opinion. Is there anything in the Act or the regulations which you have concurrence responsibilities for? What would happen if Government just decided to maintain the amnesty indefinitely and not ever actually put into regulation those new zonings?

**Ms MACKEY:** We would have to take that on notice.

**ANSWER:**

The Minister for Energy and Environment and the Minister for Agriculture and Western New South Wales jointly administer the *Marine Estate Management Act 2014* and associated regulations. They have joint regulation making powers. The concurrence of both Ministers is required when amending management rules for marine parks.

**Mr JUSTIN FIELD:** I hope I have not given a good idea. That would be concerning. I have some questions that relate to what Ms Faehrmann started on before. It relates to trees that might have fallen over as a result of the bushfires or being cleared in national parks as a result of the bushfires. I have seen concerns raised that Forestry Corporation, probably not Forestry Corporation but perhaps their contractors have been engaged to do clearing, the clearing of roads or some recovery of felled trees in national parks. Is that the case?

**Ms MACKEY:** There is clearing of trees. As you would be aware, as a part of the bushfire emergency firebreaks were created on all tenure types.

**Mr JUSTIN FIELD:** I am not suggesting it is logging.

**Ms MACKEY:** Those firebreaks were only created on national parks where there was the particular authority from the Rural Fire Service around creating those firebreaks. There was explicit arrangements around that in terms of where and how. We are now going through a process across a range of tenures about what to do in those situations. I might get Dr Fleming to talk to us about national parks.

**Mr FLEMING:** In the case of national parks, our legislative framework means that we need to have regard to the objects of the Act. Effectively we are preparing a plan to repair those areas, restore those areas, and that needs to be driven by the objects of the Act, which are really about conservation and management. We need to take into account things like conservation values but also management of the area, avoiding fire risk, minimising weeds, feral animals, et cetera. That is the driver for decisions that National Parks will make in terms of how to address those areas.

**The Hon. MARK BUTTIGIEG:** My question is directed to Essential Energy. In the little time that we have I will try to encapsulate the general theme. This morning we heard from the Minister that the final direction has been issued, which is in force until August this year. That still puts very much a temporary flavour on state of execution for those 500 job cuts. Does the organisation have a view of the long-term sustainability of those jobs? And to what extent have you engaged with stakeholder unions on sustaining those jobs past August? Is it that once this direction has expired we are back on the trajectory for another 500 job cuts?

**Mr HILLIER:** Just to be clear, the final direction restricts Essential Energy from undertaking any further redundancies between now and 20 August. It does not just apply to 182 or 500, it applies to everybody within the organisation. No more redundancies, forced or voluntary, between now and 20 August this year. The Minister this morning stated that he wants a body of work undertaken to look at alternative cost-saving measures other than workforce reductions. We will endeavour—

**The Hon. MARK BUTTIGIEG:** In your mind, is that with a view to long-term sustainability of the current workforce beyond August?

**Mr HILLIER:** We need to work through that body of work.

**The Hon. MARK BUTTIGIEG:** I know. I asked if it is with a view to?

**Mr HILLIER:** We need to engage with the Minister around the outcomes of that body of work to understand.

**The Hon. MARK BUTTIGIEG:** Presumably the ambition is to sustain the current workforce beyond August?

**Mr HILLIER:** We need to understand the outcome of that body of work before we can speculate what happens 20 August this year.

**The Hon. MARK BUTTIGIEG:** This has been afoot for quite a while now, this whole problem of trying to grapple with long-term work for sustainability given the Minister's draft direction and another final direction. What progress have you made along those lines to date?

**Mr HILLIER:** We have had a meeting with the unions. It was planned for late last year but due to the bushfires that we have been dealing with over the last four months it was deferred to late January. That meeting has taken place. Now that we have worked through pretty much all of the bushfire work we can now focus on looking at what we can do in that space. It is important to note that labour makes up nearly 50 per cent of our cost base. Our customers requested during the regulatory determination process that they wanted affordability in their energy prices and downward pressure on network charges while maintaining reliability at current levels. The plans that we put in place and set out to undertake were designed to achieve that by 2024. Clearly the Minister has cited the drought and job security as reasons for issuing the draft and we need to work through a body of work now.

**The Hon. MARK BUTTIGIEG:** I just want—

**The CHAIR:** We are out of time. Questions can be put on notice. Thank you very much for your attendance for today's hearing. The Committee secretariat will be in touch with you in the near future in terms of questions that you have taken on notice as well as any supplementary questions. Thank you very much for your attendance, your diligence in your roles and all the work you have done over the summer.

(The witnesses withdrew.)

**The Committee proceeded to deliberate.**