



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

## **Budget Estimates 2020-21 – Friday 26 February 2021**

### **Portfolio Committee No. 4 – Industry**

#### **Regional NSW, Industry and Trade**

## **Responses to Questions on Notice**

### **Question 1 (page 5 of transcript)**

**The Hon. MICK VEITCH:** Deputy Premier, you mentioned homes. This is one of the reasons why I am asking about the buildings impacted. Outbuildings are also included in the definition for "buildings impacted". Would that be correct?

**Mr JOHN BARILARO:** Yes.

**The Hon. MICK VEITCH:** Are they the main component of what has been picked up as part of buildings impacted as opposed to dwellings?

**Mr JOHN BARILARO:** I will go to Mr Hanger.

**Mr HANGER:** Predominantly we would be looking at the number of houses destroyed. We are happy to table it. This is RFS data that is used. As the Deputy Premier has indicated, the vast—

**The Hon. MICK VEITCH:** I would appreciate that, if you could.

**Mr HANGER:** Yes.

### **ANSWER:**

This information is available on the NSW Parliament website.

## **Question 2 (page 5 of transcript)**

**Mr JOHN BARILARO:** The RFS data points to 90—the question here will be at some point, I am sure, post the grants inquiry about pork-barrelling in Coalition seats. The RFS data shows that 90 per cent—let me really stress that point—90 per cent of buildings that were damaged were actually in Coalition seats. We do not want handouts or support. We would rather not have the fires in the first instance. But Coalition seats represent the vast majority of regional and rural communities that were impacted by fires. That is why the money flowed. But the reality here is it is about buildings damaged.

**The Hon. MICK VEITCH:** Does that RFS data actually break down between dwellings and outbuildings? Or does it work on a metric base?

**Mr HANGER:** It does break that down. I might ask the commissioner—

**The Hon. MICK VEITCH:** Excellent. You could just table it. That would be sensational.

**Mr HANGER:** Yes

## **ANSWER:**

This information is available in the NSW RFS annual report.

### Question 3 (page 19 of transcript)

**Mr JUSTIN FIELD:** Fair enough, Chair. Mr Barnes, in answering that question, will you please provide to the Committee and the public the basis on which the decision was taken to effectively ignore site-specific operating conditions and move back to using the coastal IFOA?

**Mr BARNES:** When the bushfires happened, the Government stood up an architecture to respond to that. It included a statewide recovery committee. I was appointed to chair one of the committees on industry recovery. I had two industry sectors within my bailiwick that I was responsible for: tourism and the forestry industry. We were given the opportunity to have some free consultancy provided to us. At the time some of the big consulting firms were wanting to play a part in responding to what was then, pre-COVID, the biggest response effort that the Government has faced for a long time. Boston Consulting Group was brought in specifically to look at those two industry sectors and the places that were most impacted. We call them functional economic regions. Boston came in and looked at the relative impact of the forestry sector on all of the FERs that were impacted in those industry sectors including the Snowy Valleys, the South Coast and Eden. Their advice was that it was paramount, when it was safe to do so, to get activity happening to keep those engine industries alive and moving forward.

**Mr JUSTIN FIELD:** Will you table that Boston Consulting Group report?

**Mr BARNES:** I am happy to do so. In answer to your question about whether I was directed by the Deputy Premier: No. I informed the Deputy Premier that I had advice from the Forestry Corporation that it believed given the passage of time that it could get back into certain coupes and operate in accordance with its legislative framework, which is the coastal IFOA.

### **ANSWER:**

This information is available online: <https://www.nsw.gov.au/regional-economic-development-strategies/reds-bushfire-addenda>.

#### **Question 4 (page 21 of transcript)**

**The CHAIR:** Thank you for that clarification and for putting that rumour to rest. Moving to digital connectivity. Mr Butler wrote to you in early 2019 regarding this \$400 million fund. He then wrote to you again in October 2020 and you responded. You stated, "The New South Wales Government has invested \$39 million to build 140 mobile phone towers in regional New South Wales, and of those towers 120 are already operational." Can you just advise where the next 20 mobile phone towers are going to be located and when they will be operational?

**Mr JOHN BARILARO:** Firstly, there was the Mobile Black Spot Program from the Federal Government that we also co-invested in. A lot of these towers, the 170-plus—or whatever the number that we have been quoted—are about towers that have been invested right across the State dealing with mobile black spots. My understanding—again, the numbers are off the top of my head—is that it has probably resolved the issue for about 12,000 extra kilometres of regional areas. We made that commitment at the last election of \$400 million—\$300 million for mobile black spots and \$100 million for data. Remember that this is technically not a place for the State to play in; telecommunications is within the Federal jurisdiction. But off the back of the Snowy Hydro Legacy Fund, we have identified those five principles—water security being one of them—and connectivity is important. We are now out to market at the moment with \$300 million, working with stakeholder groups and those industries to see what that investment would look like. I hope it is more than 20 towers, but if there is a specific on 20 towers that is outstanding I am more than happy to take that on notice and come back to you.

#### **ANSWER:**

The remaining 20 mobile phone towers are in Anembo, Bannaby Hill, Boggabri, Bourbah, Fernleigh, Glanmire, Goolmangar, Lowanna East, Main Arm, Majors Creek, Mount Bodangora, Mount Hourigan, Mt Mary, Rock Valley, Rosebank, Rouchel Brook, Stony Chute, Sunnyside, Tanja and Uarby (near Golden Highway).

## Question 5 (page 21 & 22 of transcript)

**The Hon. MICK VEITCH:** Minister, I want to ask a series of questions around New South Wales special envoys. Is Jim Harrowell still a New South Wales Special Envoy to China?

**Mr JOHN BARILARO:** I am going to have to refer this question to Ms Bell, who is rushing up to the microphone.

**Ms BELL:** The simple answer is, yes, he is still an official envoy, but he has been on hold from that position for at least six months.

**The Hon. MICK VEITCH:** Is that since his appearance at ICAC?

**Ms BELL:** No. The envoys were designed to travel with Ministers to give specialist expertise when they go overseas. Because we obviously have not been travelling we have stood all of them down except for Jim. That is the answer.

**The Hon. MICK VEITCH:** So you have stood all of them down except for Mr Harrowell?

**Ms BELL:** Most of the others have resigned because there is no active role for them to play.

**The Hon. MICK VEITCH:** So he can still use the title New South Wales Special Envoy to China?

**Ms BELL:** I do not believe he uses the title publicly, no.

**The Hon. MICK VEITCH:** But he could if he wanted to?

**Ms BELL:** I think he sent an email to the department to say that he is not active in the role at the moment, so I think the answer is that he is not using the title.

**The Hon. MICK VEITCH:** Yes, but he could if he wanted to?

**The Hon. SAM FARRAWAY:** He is still in the role.

**Ms BELL:** If he sent an email to say that he is not active, then it would be inappropriate for him to then use the title.

**The Hon. MICK VEITCH:** Do you think it is appropriate that he still be in that position in light of the testimony he provided to the ICAC in the Daryl Maguire inquiry?

**Mr BARNES:** That is not for Ms Bell to answer.

**The Hon. MICK VEITCH:** I am sorry, I was actually looking at the Deputy Premier when I said that.

**Mr JOHN BARILARO:** Again this is budget estimates.

**The Hon. MICK VEITCH:** Are you not the trade Minister?

**Mr JOHN BARILARO:** I am the trade Minister but you are now dwelling into an ICAC inquiry that is ongoing. I actually think it is not appropriate for me to respond to anything that ICAC is still looking at.

**The Hon. MICK VEITCH:** But this relates to his role, not to the ICAC inquiry.

**Mr JOHN BARILARO:** You know what, I will take these questions—because of the sensitivity around ICAC—all on notice.

**The Hon. MICK VEITCH:** Essentially what I am saying is because of the testimony he provided under oath at ICAC, do you consider that it is appropriate that he still be the New South Wales Special Envoy to China even though he sent an email saying—

**Mr JOHN BARILARO:** Listening to Ms Bell's answer, he may not be, but I will take it on notice.

## ANSWER:

1. In October 2020, Jim Harrowell stood aside from his role as NSW Special Envoy to China.
2. His role at the NSW Independent Commission Against Corruption was as a legal representative..

## Question 6 (page 25 of transcript)

**Commissioner FITZSIMMONS:** The other thing that I would point out—I have just received a message to remind me. Working in conjunction with Public Works, we have actually started testing the domestic market in New South Wales, particularly for modular homes and modular housing and modular solutions that can provide not just short-term relief support for families but also economic viability for construction and timeliness for construction, as well. We are working with a range of other suppliers across New South Wales about modular housing options.

**The Hon. MICK VEITCH:** We have got the template. Now, we can—

**Commissioner FITZSIMMONS:** Correct.

**Mr JOHN BARILARO:** Yes, absolutely.

**The Hon. MICK VEITCH:** I just want to clarify with you, Deputy Premier—the commissioner did say that we now own these. In answer to a question on notice of mine back in June last year, these are jointly owned?

**Commissioner FITZSIMMONS:** We probably were not working it out then, with fairness, Mr Veitch. We have evolved. It is an agreement we have with Minderoo. We effectively have bought these and we own them and we are utilising them. What we do with them thereafter—we have got to work out the best solution.

**The Hon. MICK VEITCH:** Yes. At what point did we do that?

**Commissioner FITZSIMMONS:** In the last 12 months.

**The Hon. MICK VEITCH:** So, before Christmas?

**Mr JOHN BARILARO:** Possibly.

**Commissioner FITZSIMMONS:** I do not know.

**The Hon. MICK VEITCH:** Okay. Could you take it on notice and find out?

**Commissioner FITZSIMMONS:** I can.

**Mr JOHN BARILARO:** Yes.

## ANSWER:

Commissioner Fitzsimmons provided an answer to this question during the hearing.

### **Question 7 (page 30 & 31 of transcript)**

**Mr DAVID SHOEBRIDGE:** Minister, I know you gave some answers earlier today about the \$250 million round of bushfire funding and, as I understand it, you said that, because it has been oversubscribed— was it in the order of \$1.6 billion?

**Mr JOHN BARILARO:** Correct.

**Mr DAVID SHOEBRIDGE:** Because it has been oversubscribed, you will be prioritising the hardest hit areas, is that right?

**Mr JOHN BARILARO:** No, I said that within the guidelines, the document around this said those regions that are moderately to highly impacted that did not receive funding under the fast-track round would get priority.

**Mr DAVID SHOEBRIDGE:** So where do we see that written out?

**Mr JOHN BARILARO:** I submitted that document at the grants inquiry. I tabled that document.

**Mr DAVID SHOEBRIDGE:** No, where do we see the internal prioritising of the hardest hit areas, however you want to describe them? Where do we see the criteria on which you will be differentiating? There will be many projects that meet the criteria. Where are we going to see the basis on which you will be differentiating between the projects.

**Mr JOHN BARILARO:** We have already given you the criteria about how we have evaluated high, moderate and low off the back of the burn scar—the impact on buildings.

**Mr DAVID SHOEBRIDGE:** But that was not in the criteria for the \$250 million round. That was a different set of criteria you had for the first \$177 million, Minister.

**Mr BARNES:** The criteria that will be used for the \$250 million will be in accord with the Federal Government's desire to have three things looked at: One is economic impact, the other one is the impact on the environment, and then the other one is the social impact. Those criteria have been developed. My understanding is that the assessment panels, as they are formed, will undertake, as is typical, webinars so that everyone can understand how the assessment process will take place.

**Mr DAVID SHOEBRIDGE:** Perhaps you can give whatever it actually is in writing that you have that set up these criteria on notice, Minister?

**Mr JOHN BARILARO:** Yes, happy to do that.

### **ANSWER:**

The national criteria for the Bushfire Local Economic Recovery funding is set out in the National Bushfire Recovery Agency website.

The criteria for the \$250 million Stage Two Bushfire Local Economic Recovery Open Round are set out in the Program Guidelines, available on the NSW Government website.

### Question 8 (page 32 of transcript)

**Mr DAVID SHOEBRIDGE:** I asked you about the date. Minister, moving on to another point, the Forestry Corporation has indicated that it is planning to get back into the Kalang Headwaters and start logging the Kalang Headwaters. They have been advised by the local community and ecologists, that 57 per cent of the 1,800 hectares that have been tagged for logging is high conservation value, the majority being threatened lowland subtropical rainforests. How on earth were those compartments selected for logging?

**Mr JOHN BARILARO:** I refer to the acting CEO of the Forestry Corporation.

**Mr CHAUDHARY:** Thank you, Mr Shoebridge, for the question. It is part of our complex planning process. We go into site-based assessments and undertake broad-area searches and surveys to understand the threatened species and the vulnerable species that are there in the forest. We have scientists in our forests who are trained professionals who have been operating in the forest for a number of years, and they understand the rules set. The rules set I am talking about is the Coastal Integrated Forestry Operation Approval.

**Mr DAVID SHOEBRIDGE:** Most of this was done as a desktop assessment. You did not send ecologists in. It was a desktop assessment.

**Mr CHAUDHARY:** Mr Shoebridge, in relation to that particular one, I am not across the details. I can happen to take that away.

**Mr DAVID SHOEBRIDGE:** That is what I am asking you about. You are logging over 1,000 hectares of high-conservation-value forest, more than 693 hectares of threatened lowland subtropical rainforest. You did not send an expert in. That is what I am asking you about. How did you choose it?

**Mr JOHN BARILARO:** The acting CEO has said that he will take those questions on notice, in relation to this specific location.

### ANSWER:

The areas of public native forest that are set aside for conservation and those that are managed for multiple uses including renewable timber production were identified through the Regional Forest Agreement (RFA) process, which is managed by the State and Commonwealth Governments and reviewed every five years.

In the areas identified as suitable for timber harvesting, tactical assessments are undertaken to determine timber values and on the basis of that, areas are added to annual schedules. An operational plan is then developed in line with the Coastal Integrated Forestry Operations Approval (CIFOA), which protects rainforest, old growth and threatened ecological communities as mapped across the landscape



### Question 9 (page 34 of transcript)

**The Hon. MICK VEITCH:** Deputy Premier, I just want to come back to the special envoys. This is more about your role here. How often as the trade Minister did you meet with the special envoys?

**Mr JOHN BARILARO:** Over the last 12 months the focus has been on COVID.

**The Hon. MICK VEITCH:** Sorry, pre-COVID.

**Mr JOHN BARILARO:** I have only been the Minister for two years. In the first 12 months, I had an opportunity to meet a number of them, and we hold events, we come together. But I have got to admit in the last six to nine months, probably very little. We announced our Global NSW strategy, 21 new destinations where we are increasing the number of—everything was put on hold, to be honest. I have to be honest, when it came to the trade space a lot of it has been put on hold. We have done a bit of work on inbound and local support, and supporting industry in relation to trade. But outside of that—we have announced new markets, we were looking for new looking trade commissioners as well—everything has been put on hold. We are going to revamp that shortly.

**The Hon. MICK VEITCH:** And how many of them were there, do you know, prior to them all stepping down?

**Mr JOHN BARILARO:** I am going to have to take that question on notice.

**The Hon. MICK VEITCH:** Okay. And are they paid, is the other thing, if you are going to take it on notice?

**Mr JOHN BARILARO:** And what was that? The second part?

**The Hon. MICK VEITCH:** Are they paid?

**Mr BARNES:** There were six.

**The Hon. MICK VEITCH:** There were six?

**Mr JOHN BARILARO:** We will take on notice—

**The Hon. MICK VEITCH:** And are they paid?

**Mr JOHN BARILARO:** Yes, I can take that all on notice. How many, and what were their salaries.

**The Hon. MICK VEITCH:** In the trade space, Deputy Premier, this relates to COVID. How many employees do we still have in the trade space overseas at this point in time? Did we bring them all home?

**Mr JOHN BARILARO:** Again, I will have to take that question on notice unless Kylie Bell can answer that one.

**Ms BELL:** We have 18 staff overseas. They are all local staff but none of them are Australian citizens, so none of them have been brought home.

**The Hon. MICK VEITCH:** Okay.

**Ms BELL:** They are all continuing to work. Most of them have been working from home because, like us, their offices have been shut. But we have lost no-one, and we have appointed two new people in Vietnam and Singapore over this period to help exporters. But they are not Australians who need to be returned back.

**The Hon. MICK VEITCH:** That begs the question, if we have 18 people who are employed by the taxpayers of New South Wales, what sort of action do we take to protect their own health and safety whilst they are overseas in these destinations?

**Ms BELL:** Quite a few of our staff are embedded within the Australian Government's offices at the consulates or their embassies. So they work with us to follow protocols. For example, our staff in the US have not been at work now for 12 months. We follow the local health and safety requirements of that country to ensure that they comply. We work with them on a daily basis. They continue in their roles but they do them from home.

**ANSWER:**

Total Number of Special Envoys

1. This Question on Notice was answered by Ms Bell, Executive Director Trade at NSW Treasury, on 26 February 2021 and the answer is reflected on page 71 of the uncorrected Budget Estimates transcript.
2. There were five Special Envoys noting these roles no longer exist.

Are special envoys Paid:

1. This Question on Notice was answered by Ms Bell, Executive Director Trade at NSW Treasury, on 26 February 2021, and the answer is reflected on page 71 of the uncorrected Budget Estimates transcript.
2. Special envoys were unpaid and honorary positions.

### **Question 10 (page 36 of transcript)**

**The CHAIR:** Sorry, Ms Beattie, I know you have been up and back all morning. I am going to ask you to come back up again one more time. Those 13 PELs that are under one title holder, am I right in assuming that title holder is Santos?

**Ms BEATTIE:** I would just like to clarify something there.

**The CHAIR:** Yes, sure.

**Ms BEATTIE:** Santos controls all the titles but there are a number of subsidiaries and joint ventures related to Santos. So the actual title holder on the application may have other companies there.

**The CHAIR:** On notice, would you be able to provide the dissection of those subsidiaries?

**Ms BEATTIE:** Yes, absolutely.

### **ANSWER:**

The titleholders of the 13 titles are:

1. PAL 2 –Energy Australia Narrabri Gas Pty Ltd, Santos NSW Pty Ltd
2. PEL 1 - Australian Coalbed Methane Pty Limited, Santos QNT Pty Ltd
3. PEL 6 - Comet Ridge Gunnedah Pty Ltd, Santos NSW (Betel) Pty Ltd
4. PEL 12 - Australian Coalbed Methane Pty Limited, Santos QNT Pty Ltd
5. PEL 238 – Energy Australia Narrabri Gas Pty Ltd, Santos NSW Pty Ltd
6. PEL 427 - Comet Ridge Gunnedah Pty Ltd, Comet Ridge Ltd
7. PEL 428 - Comet Ridge Gunnedah Pty Ltd, Comet Ridge Ltd, Davidson Prospecting Pty Ltd
8. PEL 433 - Santos NSW Pty Ltd, Santos QNT Pty Ltd
9. PEL 434 – Energy Australia Narrabri Gas Pty Ltd. Santos NSW Pty Ltd. Santos QNT Pty Ltd
10. PEL 450 - Santos QNT Pty Ltd
11. PEL 452 - Santos QNT Pty Ltd
12. PEL 456 - Hunter Gas Pty Ltd, Santos QNT Pty Ltd
13. PEL 462 - Santos QNT Pty. Ltd.

## Question 11 (page 45 of transcript)

**The Hon. DANIEL MOOKHEY:** To the point of order: It is entirely consistent for me to be able to ask the head of Resilience NSW whether it has been consulted about the development of what Transport for NSW has described as a plan, especially when they say it is consistent with the approach established by Resilience NSW.

**The CHAIR:** Let me rule on the point of order. I ask the secretariat to photocopy those documents for all members. I did give you the leeway of the 30 seconds. I believe you have tied it in to Resilience NSW's response. I think you are clear in what you say in terms of wanting to ascertain what consultation another department has had with Resilience NSW. As long as it follows that line, I am happy with the questioning so far.

**The Hon. DANIEL MOOKHEY:** Thank you, Chair. Commissioner, you did ask what the plan was? You will see that it is described below: 1. Plan for a resilient network ... 2. Invest in resilience improving maintenance and capital projects ... 3. Improved operational capacity ... Have you seen this letter before, by any chance?

**Commissioner FITZSIMMONS:** No, I have not.

**The Hon. DANIEL MOOKHEY:** Were you or was anyone in your agency, to the best of your knowledge, consulted by Transport for NSW in developing its three-point plan?

**Commissioner FITZSIMMONS:** Let me answer the question this way: I am aware that Transport for NSW spoke with Resilience NSW concerning the matter of clearing roadside vegetation. And yes, as is the case with lots of clearing, absolutes like 40 metres were described as impractical in a lot of areas. It is about a risk-based approach. We were consulted and talked about the risk-based approach to corridor management.

**The Hon. DANIEL MOOKHEY:** Do you recall when that took place?

**Commissioner FITZSIMMONS:** It would have been some time last year, I suspect the tail end of last year; the latter half of last year.

**The Hon. DANIEL MOOKHEY:** The latter half of last year.

**Commissioner FITZSIMMONS:** What date is on that?

**The Hon. DANIEL MOOKHEY:** If you turn over the page.

**Commissioner FITZSIMMONS:** I do not have it any more. They have taken it from me.

**The CHAIR:** Sorry.

**The Hon. CATHERINE CUSACK:** None of us have it.

**The Hon. DANIEL MOOKHEY:** I provided a copy for the secretariat and I provided a copy for the witness.

**The Hon. CATHERINE CUSACK:** Yes, but you see the problem is, the Hon. Daniel Mookhey, that there are other members of the committee here; it is not just you.

**The Hon. DANIEL MOOKHEY:** Just take mine. There is not much.

**The Hon. CATHERINE CUSACK:** There is the Chair, the secretariat and Hansard. There are other people in the room, not just you.

**The CHAIR:** Thank you, Ms Cusack. We are getting the issue resolved.

**The Hon. DANIEL MOOKHEY:** It is dated 31 July, which is the date the bushfire royal commission was issued and that was the date of the letter, which was a reply. So when you said that you were consulted, to the best of your recollection was Resilience NSW consulted prior to 31 July?

**Commissioner FITZSIMMONS:** I am happy to take that on notice. I was of the view that we were consulted sometime last year. I do not know the specific time. I am happy to find out.

**ANSWER:**

I am advised Resilience NSW has worked closely with Transport for NSW across a range of bushfire recovery issues.

**Question 12 (page 48 of transcript)**

**The Hon. EMMA HURST:** I have a few questions for Mr Chaudhary. On 3 February 2021 Forestry Corporation released a statement that a koala had been found unwell in a timber harvesting operation on the North Coast and that the koala was taken to a rescue group but had to be subsequently euthanised. Do you know which rescue group the koala was taken to?

**Mr CHAUDHARY:** Yes. I believe it was the Port Macquarie Koala Hospital.

**The Hon. EMMA HURST:** Is there a protocol to reach out to local koala groups when these circumstances arise?

**Mr CHAUDHARY:** Look, when we do find a koala in the forest that is injured, it does trigger off a protocol. Immediately we have the koala taken to a care group that provides it with urgent medical attention. We also report it to the regulator. They carry out their investigation and we carry out our investigation. If there are any lessons to be learned about that then we adapt that into our management practices.

**The Hon. EMMA HURST:** Is there anything in the protocol if there is not a rescue group that is nearby or able to pick up the koala?

**Mr CHAUDHARY:** I am not sure about that, but I can check that for you.

**The Hon. EMMA HURST:** Yes, if you would not mind taking it on notice.

**Mr CHAUDHARY:** Sure.

**ANSWER:**

Forestry Corporation has a Koala Emergency Response plan for the care and transport of a sick or injured koala. Under this plan, if a koala needs assistance, crews must immediately contact Forestry Corporation. The preferred option is for a koala care group to attend the site and arrange transport and veterinary care. If a koala care group is not able to attend the site, the second option is for a Forestry Corporation ecologist to attend and arrange the transport and veterinary care. If neither of those options can be arranged, for example in remote areas without phone reception, the protocol provides guidance for crews to safely transport the koala to a koala care group or veterinary hospital.

**Question 13 (page 49 of transcript)**

**The Hon. EMMA HURST:** How many prosecutions have been commenced by the EPA against Forestry Corporation over the past five years?

**Mr CHAUDHARY:** Over the past five years; I will have to get back to you. The one that you have just referred to is the one that I am aware of that is on foot, but I will have to take that on notice, in terms of which—

**ANSWER:**

Regulation of forestry activities is reported by the EPA in its annual NSW Forestry Snapshot Report. Convictions recorded against Forestry Corporation are reported in Forestry Corporation's Sustainability Report.

**Question 14 (page 49 of transcript)**

**The Hon. EMMA HURST:** What about fines? Can you confirm how many fines have actually been issued?

**Mr CHAUDHARY:** In which period are you referring to?

**The Hon. EMMA HURST:** In the five years, sorry.

**Mr CHAUDHARY:** I will have to take that on notice.

**The Hon. EMMA HURST:** If you could take that on notice, that would be fantastic.

**Mr CHAUDHARY:** Yes. This is disclosed in our annual report as well as in our sustainability report, but I am happy to provide that information.

**ANSWER:**

Forestry Corporation reports fines issued by regulators on an annual basis in its Sustainability Report.



### Question 15 (page 50 of transcript)

**Mr JUSTIN FIELD:** Thank you, Chair. Mr Hansen, I would like to come back, if I could, to questions about the RFA and the requirement to do the sustainable yield review. Can you just confirm that the sustainable yield review that has been undertaken but not yet been made public was initiated as a result of the fires? It is not a regular review?

**Mr HANSEN:** No. In fact, my understanding is that this is actually ahead of the scheduled timing for the yield reviews that are part of the RFA. It has been brought forward in time because of that trigger of the significant event of the fires.

**Mr JUSTIN FIELD:** Okay. You said "your understanding", so it is not a DPI document? Is DPI doing it or is Forestry Corporation doing it? I am sure there is sharing of information, but who is responsible for completing it?

**Mr HANSEN:** The information that gets fed into FRAMES, the Forestry Resource and Management Evaluation System, which is the system approved under the RFA for the sustainable yield assessment, that data primarily comes from Forestry Corporation. They are both foresters on the ground plus, as I said, this time the impact assessment from the fire scar mapping and the remote sensing assessment work that they have done. That is packaged up. We do a review of that data. We have a look as to the assessments that they are making there, and then that assessment gets discussed and lodged with the Commonwealth as part of our obligations in dealing with them under the RFA.

**Mr JUSTIN FIELD:** Sure. It was triggered as a result of the fires then, effectively. You brought forward a review but the fires were the trigger. Who made the decision that the fires were a trigger and when was that made?

**Mr HANSEN:** I would have to take that on notice, unless Anshul has that.

**Mr CHAUDHARY:** Well, it was quite obvious that a significant part of the estate had been impacted by the fires. Unlike softwood, where the timber is not resilient so the trees are not resilient—when the fire goes through it, the softwood pine trees die. In hardwood, the eucalypt species are more resilient to fires, obviously depending on fire severity. Given the catastrophic fire event, we took it upon ourselves to undertake a review of what that sustainable yield would look like over the next 100 years.

**Mr JUSTIN FIELD:** So Forestry Corporation initiated that review. The Commonwealth did not come to you and say, "Hey, you need to do an assessment of sustainable yield," off the back of it?

**Mr HANSEN:** No, that is right. And, as I said, I am not sure of the date that that was. We will have to take that on notice.

**Mr JUSTIN FIELD:** If you could confirm that on notice, that would be great.

Mr HANSEN: Yes.

**Mr JUSTIN FIELD:** Could you also confirm that that sustainable yield assessment has been done for each of the RFA regions?

Mr HANSEN: Yes.

### ANSWER:

The RFAs state New South Wales will review and update Sustainable Yield calculations from State forests at least once every five-year review period, or more frequently on an as-needs basis. The review commenced in March 2020 and considers the NSW RFA regions.

**Question 16 (page 54 of transcript)**

**The Hon. MICK VEITCH:** I do not think anyone underestimates the impact of the bushfires on the operation. You were talking about the infrastructure that was damaged by the fires. Clearly since the last time we had budget estimates and I asked this question, until now, there is no way in my mind that you would have been able to rectify all of the damage. How much is outstanding?

**Mr CHAUDHARY:** We have actually done quite a bit of work over the last 12 months. We were fortunate enough to get some funding from the Government in terms—it was an equity injection in terms of the stimulus funding, which was about \$46 million.

**The Hon. MICK VEITCH:** Yes.

**Mr CHAUDHARY:** I am happy to report that to date we have largely expended that fund and we have been able to—about almost \$14 million has been spent in repairing the roads. That is, I believe, around 5,000 kilometres of roads that we have rectified as a result of that. I am happy to get you the proper numbers if you want.

**The Hon. MICK VEITCH:** Yes, that will be good.

**Mr CHAUDHARY:** Sure, I can do it on notice and provide that information.

**ANSWER:**

This question was answered on the day of the hearing (see page 71 of the transcript). Regarding road repair work, Forestry Corporation of NSW has achieved 47 crossings, repaired 18 bridges and 1,500 kilometres (not 5,000 kilometres) of roads.

**Question 17 (page 56 of transcript)**

**The CHAIR:** Just picking up on some of the questioning around boundary fencing, boundary disputes between Forestry Corp or State forest land and private property owners—how many are there currently in contention?

**Mr CHAUDHARY:** I am not aware of that, but I can take that on notice and check for you, Mr Chair

**ANSWER:**

Forestry Corporation makes a voluntary contribution to fencing where possible. The NSW Government has provided \$209 million as part of its “Supporting our Neighbours” following the 2019-20 bushfires. This Program helps cover the cost of rebuilding boundary fences and is administered by Local Land Services.

**Question 18 (page 56-57 of transcript)**

**The CHAIR:** I was just not sure whether, perhaps since the fires have come through—and obviously there is more work needed to be done on fencing—that has raised the profile of boundary disputes. That is fine. Ms Beattie, I have a couple more questions about those PELs and then I will leave you alone. Those PELs that you were speaking about before lunch—the 13—are they in one geographical area alone or are they spread across several electorates? I know that the member for Northern Tablelands, the member for Tamworth and also the member for Barwon have all made public statements about their concern over PELs in their electorates. Those 13 that are still there, can you give us an idea of the geographical spread?

**Ms BEATTIE:** There are 13 titles. As I said earlier, there are 12 that are exploration.

**The CHAIR:** Yes.

**Ms BEATTIE:** Yes. They cover an area from Mudgee through to the Queensland border. In terms of more specific detail than that, I would have to take it on notice.

**The CHAIR:** Yes, please.

**ANSWER:**

The 13 titles are located in the following Local Government Areas:

<b>Title</b>	<b>Local Government Area</b>
PAL 2	Narrabri
PEL 1	Gunnedah, Liverpool Plains, Narrabri, Tamworth Regional
PEL 6	Gwydir, Moree Plains
PEL 12	Gunnedah, Liverpool Plains, Warrumbungle
PEL 238	Gunnedah, Narrabri, Warrumbungle
PEL 427	Moree Plains, Narrabri
PEL 428	Coonamble, Moree Plains, Narrabri, Walgett, Warrumbungle
PEL 433	Dubbo Regional, Gilgandra, Mid-Western Regional, Upper Hunter, Warrumbungle
PEL 434	Coonamble, Gilgandra, Narromine, Warren

PEL 450	Coonamble, Gilgandra, Warrumbungle
PEL 452	Liverpool Plains, Upper Hunter
PEL 456	Liverpool Plains, Mid- Western Regional, Muswellbrook, Upper Hunter, Warrumbungle
PEL 462	Coonamble, Gilgandra, Warrumbungle

**Question 19 (page 58 of transcript)**

**Mr JUSTIN FIELD:** Thank you. Mr Hansen, a couple of final points on the sustainable yield document that has been completed but not yet made public. We have made that clear. Will it be subject to any independent verification, for example, by the NRC or the Commonwealth?

**Mr HANSEN:** I do not believe this one will go through any independent verification process. But the regular auditing of those as part of the obligation under the regional forest agreement to make sure that wood supply is always less than sustainable yield is an ongoing, independent assessment that the Commonwealth does. But I am not sure about this one and would have to take it on notice.

**ANSWER:**

This question was answered in the hearing.

**Question 20 (page 59 of transcript)**

**Mr JUSTIN FIELD:** Sure, but you are not making a distinction between burnt and unburnt areas of forest. The suggestion has been made to me that an undertaking was given by Forestry Corporation early on after the fires not to go into unburnt areas of forest, because they were such important areas of refuge for animals that had fled the fires. Did the Forestry Corporation give some sort of undertaking like that?

**Mr CHAUDHARY:** I am not sure about that, Mr Field. I will have to take that on notice and check that

**ANSWER:**

In January 2020, the Regions, Industry, Agriculture and Resources Group and the Environment, Energy and Science Group within the Department of Planning, Industry and Environment reached an in-principle agreement to prioritise the harvesting of burnt trees in state forests across NSW to minimise the harvest of green timber and unburnt areas of native forests in the short term. Following this, a process commenced to develop Site Specific Operating Conditions and a number of these were utilised on the north and south coast during 2020. On the north coast, the majority of operations were moved into hardwood timber plantations as a further measure to reduce operations in unburnt native forests during 2020.

**Question 21 (page 63 of transcript)**

**The Hon. MICK VEITCH:** Can I ask then with regard to the fibre—I could be wrong here—as I understand it, the New South Wales Government probably has more fibre in the ground across rural New South Wales than NBN. I have some issues with the NBN from different places. I reckon the State Government would probably have more fibre in the ground than NBN. I do not know if that has been assessed. Have we looked at using the State-owned fibre as a part of this digital connectivity?

**Ms DEWAR:** That is not information I have at the moment. So I will have to come back to you.

**ANSWER:**

As part of the Regional Digital Connectivity Program, an audit indicated that most NSW Government fibre in regional NSW is leased from private operators. An expression of interest process in 2020 confirmed a competitive backhaul fibre market in regional NSW, including opportunities to activate existing fibre capacity. The Department of Regional NSW continues to actively explore options to make efficient use of NSW Government assets to achieve the best possible deal for taxpayers.



## **Question 22 (page 64 of transcript)**

**Mr JUSTIN FIELD:** What notification will the neighbours down at South Brooman have. They got a letter in September warning that you could start within weeks and your intention was to close the road down there that is access for a lot of businesses in recreation areas. They had just that notice that it would happen at sometime soon and they did not hear from you again. So what notice will you give them if you intend to go back into the south perimeter or Shallow Crossing.

**Mr CHAUDHARY:** We consult with our neighbours. So neighbours that are neighbouring the compartment, we consult with them before we commence harvesting. We do that everywhere, regardless. I am not sure exactly what the time frames are, how soon we do that, but it is part of our process. We will definitely be consulting with the neighbours.

**Mr JUSTIN FIELD:** What about all the other businesses that utilise that main road that goes through those forest areas, and there is only one main road.

**Mr CHAUDHARY:** Again, it is just part of our usual harvesting process. If there are roads that are going to be affected as a result of the harvesting operation, then we will take precautions. Either we close the roads or we put signage up. It just depends on the operation itself.

**Mr JUSTIN FIELD:** Sure, but will you write to the affected businesses and neighbours well in advance of starting it? You have people trying to run businesses, agricultural enterprises and tourism businesses on that road. The threat last time was that the road could be closed or disrupted for about a year. So what notice will you provide and how will you give it?

**Mr CHAUDHARY:** I will have to take that on notice to see what the specifics are, Mr Field.

## **ANSWER:**

Forestry Corporation always engages with neighbours directly adjacent to the compartment during the planning process. Forestry Corporation also publishes information about each individual operation on its plan portal, and community members can subscribe to any plans they are interested in to receive updates. Members of the community are welcome to contact Forestry Corporation if they have any questions or concerns about planned operations.

### Question 23 (page 65 of transcript)

**Mr JUSTIN FIELD:** I just want to go back to the letter from September last year by you and the department Secretary to the EPA. It specifically related to the southern and Eden forestry areas. In that letter it says that it is expected that 155 direct jobs are at risk of being lost over the next few months in the South Coast and Eden region. You have not logged any timber down there since then. How many of those jobs have been lost?

**Mr BARNES:** I might respond to that because we anticipated that you might ask this question.

**Mr JUSTIN FIELD:** I've seen no end of logging trucks travelling north through my town in Milton so, yes, I would like to understand.

**Mr BARNES:** If you talk to the people who haul and log, specifically amplified for those who are not the contractors of Forestry Corporation, the impact has been estimated at an 85 per cent hit to the revenue directly impacting 80 jobs and more broadly affecting today 224 jobs in the supply chain. If you have a look at—

**Mr JUSTIN FIELD:** So what analysis is that from?

**Mr BARNES:** I have had my analysts looking at the impact in the South Coast, at jobs data and at resilience, DiTA data in relation to small business sentiment down there. There is a 61 per cent impact year on year in that particular area.

**Mr JUSTIN FIELD:** Are you able to provide on notice that analysis?

**Mr BARNES:** I am happy to provide you some facts and figures

### ANSWER:

Departmental analysis has estimated that around 80 harvesting and haulage jobs on the Far South Coast have been impacted since the 2019-20 bushfire season.

Analysis of the impact in the Far South Coast:

- Far South Coast population - 72,949 (ABS via. Id 2019)
- Workforce participation - 42.48 per cent (NIEIR via. id 2019)
- Pre-bushfires Gross Value Add from Forestry sector - \$40 million (BCG REDS Impact Review)
- Over the past year businesses in the forestry industry have reported a 38 per cent reduction in their gross income (Revenue NSW BAS analysis)
- Bushfires and COVID-19 caused an estimated loss of 42 per cent of tourism and hospitality jobs in 2019-20 (ABS Weekly Payroll and Job services March 2020)
- The total job market is vulnerable with approximately 13.5 per cent of the 15-64 age group in Eden on JobSeeker. This is significantly higher than the statewide (7.5 per cent) and regional NSW 9.5 per cent reported in by the Department of Social Services via. id in January 2021
- The number one issue reported by respondents in the Far South Coast one year after bushfires was mental health (Resilience NSW Small Business Survey January 2021)
- Small business revenue dropped 61 per cent year-on-year, with an average loss of \$59,100 (Resilience NSW Small Business Survey January 2021)

**Question 24 (page 66 of transcript)**

**Mr DAVID SHOEBRIDGE:** I am not sure that answered the question. I was going to ask about the earnings for the hardwood division of Forestry Corporation. Financial year 2020 reported \$121 million in revenue. Is that right, Mr Chaudhary?

**Mr CHAUDHARY:** Yes, that is right.

**Mr DAVID SHOEBRIDGE:** How much of that revenue was made up from sale of forestry products? How much was made up of grants under community service obligations, and how much came from other sources?

**Mr CHAUDHARY:** The grants from community service obligations would be approximately \$11 million to \$12 million of that figure, and the majority of the remaining balance would be from the sale of timber revenue.

**Mr DAVID SHOEBRIDGE:** Can you give me a breakdown of that on notice?

**Mr CHAUDHARY:** Absolutely.

**ANSWER:**

Revenue for Forestry Corporation's is detailed in Forest Corporation's annual report.

**Question 25 (page 67 of transcript)**

**Mr DAVID SHOEBRIDGE:** And the \$11 million to \$12 million for community service obligations, what was that spent on?

**Mr CHAUDHARY:** Again, I am happy to give you the breakdown on notice but let me explain it this way. The community service obligation is a fee-for-service income that we get paid for by the State to look after the land management obligations. We are a land manager for the Crown, and we have two million hectares of land to manage under State Forests. As I was explaining earlier, of the two million, we operate in only one million hectares. The other million is set aside for environmental values. Of the million hectares we operate in, we harvest anywhere around 1 per cent to 1.5 per cent in any given year. So there is a lot of land management activities such as weed control, animal control, recreation and tourism, hunting, beekeeping, grazing and fire management, of course, which is key. They would be the key expenditure items, but I am happy to give you the details—

**Mr DAVID SHOEBRIDGE:** A breakdown on what the \$11 million to 12 million was spent on last year.

**Mr CHAUDHARY:** Yes, absolutely.

**ANSWER:**

<b>CSO Activities – Hardwoods</b>	<b>FY20</b>
Recreation & Tourism	2,117,964 .13
Govt. Relations & Community Eng. (Non-Commercial)	670,346.8 0
Non-Commercial Forest Management	2,026,292 .95
Road Construction & Maintenance for Community	1,420,365 .09
Community Fire Fighting & Prevention	6,575,340 .03

**Question 26 (page 68 of transcript)**

**Mr DAVID SHOEBRIDGE:** Forestry Corporation contracts out all of its planting operations, is that right, in the softwood division and the hardwood division?

**Mr CHAUDHARY:** No, that is not true.

**Mr DAVID SHOEBRIDGE:** Your annual report suggests that it does.

**Mr CHAUDHARY:** Sorry, in which part of the business?

**Mr DAVID SHOEBRIDGE:** Why don't we go to the hardwood division first? Who does the planting in the hardwood division?

**Mr CHAUDHARY:** Look, we do use contractors. I cannot be sure if it is 100 per cent or not but I can check that for you.

**Mr DAVID SHOEBRIDGE:** Can you give me the breakdown, on notice, in the two divisions?

**Mr CHAUDHARY:** I can get you that information, yes.

**Mr DAVID SHOEBRIDGE:** How many people actually work directly for Forestry Corporation as employees? **Mr CHAUDHARY:** That would be approximately 550, but the information is in our annual report.

**Mr DAVID SHOEBRIDGE:** Can you give the geographic location of those, on notice?

**Mr CHAUDHARY:** Sure.

**Mr DAVID SHOEBRIDGE:** And can you give it for the last two years as well, so we can track the changes?

**Mr CHAUDHARY:** Absolutely.

**Mr DAVID SHOEBRIDGE:** What volume of wood from New South Wales public native forest goes to biomass facilities each year?

**Mr CHAUDHARY:** Again, that information is in our—

**Mr DAVID SHOEBRIDGE:** It is actually not.

**Mr CHAUDHARY:** It is on our website; it is not in the annual report. I can take it on notice, but it will be very small and it will be only from the plantations estate, not from native forest.

**ANSWER:**

Planting operations include growing seedlings, ground preparation, weed control and tree planting. Forestry Corporation manages and staffs two production nurseries and contracts additional labour hire and seedling supply where required. Forestry Corporation manages ground preparation, weed control, planting and quality control and survival assessments using both its substantive workforce and under contract. Native forests are naturally regenerated.

Employee numbers are published in Forestry Corporation's Annual Report. The published data is the number of full time equivalent (FTE) staff employed at the end of Financial Year and does not include seasonal crews, which typically commence around August/September.

**FTE staff by location 2019-20**

<b>Location</b>	<b>FTE (Rounded)</b>
Balranald	2
Baradine	6

Barham	3
Batemans Bay	29
Bathurst	50
Black Springs	10
Blowering Nursery	14
Bombala	28
Bulahdelah	2
Canberra	1
Canobolas	1
Casino	13
Coffs Harbour	65
Condobolin	1
Deniliquin	6
Dorrigo	3
Dubbo	8
Eden	23
Forbes	3
Gloucester	3
Grafton	28
Grafton Nursery	4
Inverell	1
Maitland	9
Mandalong	3
Moss Vale	4
Narooma	1
Narrabri	2
Narrandera	2
Orange	4
Sunny Corner	1
Tamworth	3
Taree	10
Tumbarumba	3
Tumut	71
Urbenville	3
Walcha	9
Wauchope	43
West Pennant Hills	60

#### FTE by location 2018-19

<b>Row Labels</b>	<b>FTE (Rounded)</b>
Balranald	2
Baradine	7
Barham	4

Batemans Bay	32
Bathurst	46
Black Springs	11
Blowering Nursery	16
Bombala	28
Bulahdelah	2
Canberra	1
Casino	11
Coffs Harbour	57
Coffs Harbour Jetty	9
Condobolin	1
Deniliquin	4
Dorrigo	3
Dubbo	8
Dungog	0
Eden	24
Forbes	3
Gloucester	4
Grafton	24
Grafton Nursery	9
Inverell	1
Kyogle	1
Maitland	9
Mandalong	4
Moss Vale	3
Narooma	1
Narrabri	2
Narrandera	2
Orange	6
Sunny Corner	1
Tamworth	3
Taree	10
Tumbarumba	3
Tumut	67
Urbenville	3
Walcha	9
Wauchope	40
West Pennant Hills	61

Biomass is reported in the biomaterial report published annually on the Forestry Corporation website. From 2019-20, this report has been incorporated in the Sustainability Report on the Forestry Corporation website.

**Question 27 (page 69 of transcript)**

**Mr DAVID SHOEBRIDGE:** What is the return that Forestry Corporation gets for the biomass from softwood?

**Mr CHAUDHARY:** From softwood?

**Mr DAVID SHOEBRIDGE:** Yes. Is there a rate that you get per kilo, per tonne—

**Mr CHAUDHARY:** There would be, but I do not have that information.

**Mr DAVID SHOEBRIDGE:** Can you provide that on notice?

**Mr CHAUDHARY:** Yes.

**Mr DAVID SHOEBRIDGE:** Regarding the proposed Redbank energy park in Singleton in the Hunter Valley, which is proposed to burn one million tonnes of native hardwood annually, do I understand that there is no current contract and no intention to have any of that come from public native forests?

**Mr CHAUDHARY:** Yes. It will not be from public native forest.

**Mr DAVID SHOEBRIDGE:** And you have not had any discussions between Forestry Corporation and the proponents for the Redbank energy park.

**Mr CHAUDHARY:** I am not sure, Mr Shoebridge. I can check that for you.

**ANSWER:**

Biomass is a small market for softwoods outside fire salvage opportunities. In general, merchantable volume is sold to highest value markets for sawn timber, veneer or pulpwood/panelboard and remaining biomass is retained on-site for nutrient retention. Returns from recent biomass sales from softwood plantations have averaged approximately \$4-5/t.

Representatives of Forestry Corporation, DPI and Bioenergy Australia met representatives of the Redbank Green Energy Park proposal on 25 February 2020 where they outlined their intentions and expressed interest in bushfire damaged timber from Forestry Corporation.

Small scale sales of residue from timber harvesting operations in plantations have been made to biomass plants for electricity production, but no sales have been made from native forests of biomass for electricity production to date.

The primary product coming out of our forests remains quality timber and biomass generation only relates to the parts of the tree that have no other use so are routinely burnt on the forest floor.



**Question 28 (page 70 of transcript)**

**The Hon. MICK VEITCH:** Thank you. As my colleague indicated, I would like to go back to witty weeds. It is actually a very important issue in regional New South Wales. Back to Forestry Corporation, you said about \$2 million, as I recall, would be spent this year on—

**Mr CHAUDHARY:** On weed control.

**The Hon. MICK VEITCH:** —weed control. Is that an increase on the previous year's budget allocation?

**Mr CHAUDHARY:** I will have to check that, Mr Veitch.

**The Hon. MICK VEITCH:** Can you check that? **Mr CHAUDHARY:** Yes.

**The Hon. MICK VEITCH:** Have we increased the activity towards weed management? I would prefer weed eradication rather than weed control. Anyway, have we increased that activity in the areas that were burnt?

**Mr CHAUDHARY:** Look, my understanding is that the cultural operations are absolutely taking that into account. The discussions I have been having with the organisation is that—they understand there is an opportunity to get on top of the weed wild after the fires. They are focusing on that, but I do not have the exact numbers of how many dollars or effort we are spending against last year—or the trend. But I can get that information.

**The Hon. MICK VEITCH:** To be fair, the window closes pretty quickly on your capacity to get in—

**Mr CHAUDHARY:** Noted.

**The Hon. MICK VEITCH:** —and work on the regrowth. It is pretty aggressive in some of the parts I have seen. In fact, it has come back stronger than it was prior to the fires. I would suggest the fuel loads are going to be into the next summer, because it has been such a brilliant season, to date—summer, this time. I would be a bit worried about the fuel loads for next summer. I think you will find the weeds will be a contributing factor to that. If you could take those on notice and get back to me.

**Mr CHAUDHARY:** Sure

**ANSWER:**

Forestry Corporation's annual expenditure on weed control is detailed in the Sustainability Report. In plantation areas, pre-establishment weed control is routinely carried out prior to replanting. The area treated with pre-establishment weed control will increase in line with the increased area to be replanted. The figures show that there was an increase in the weed control expenditure in 2019-20 over the prior years.

**Question 29: Page 70-71**

**The Hon. MICK VEITCH:** This is a very local one. After the Dunns Road fire, the western foreshore of Blowering Dam has been closed—and rightly so. There were safety issues. The locals are now wondering just when that foreshore is going to reopen. They have got an eye on the Easter weekend. Is there any chance at all that parts of that foreshore will be open for the Easter weekend?

**Mr CHAUDHARY:** Mr Veitch, we are actually working towards that Easter weekend. The only thing is that the storm event we had over the last couple of weeks really put us back. We had repaired some roads and they have been washed away. As you know, we have done a lot of work in that space. Over the last year we have done aerial seeding to get some ground stability. We have actually fixed about 950 kilometres of road in that region—not in Blowering per se but in that whole region. We understand that there is a community that wants to get back into the foreshore. It is really the public safety that is of paramount importance to us. We have got engineers involved and soil experts and what have you, but it will take some time. The team is working as fast as they can towards Easter.

**The Hon. MICK VEITCH:** Okay, thank you. The local tourist operators would be pretty keen.

**Mr CHAUDHARY:** Yes. And, Mr Veitch, I think you previously asked me about how much we have achieved in road repair work. I have just got that information. We have achieved 47 crossings. We have repaired 18 bridges and 1,500 kilometres of roads. I think I misrepresented that previously. Regarding the hunting maps, I am getting notification that we are definitely going to double-check that.

**ANSWER:**

This is not a question on notice.

**Question 30 (page 75 of transcript)**

**Mr JUSTIN FIELD:** Sure. I appreciate that. Mr Chaudhary, we might go back to you. I just wanted to pick up where it was left off by the previous question around the South Brooman forest. I appreciate that you have not got a specific list of compartments that you are after, but certainly the letters that were sent to the community around South Brooman in September last year indicated that compartments 52, 53 and 54 were going to be a target of Forestry Corporation. Can you confirm that they are on the list to go into between now and the NRC report being completed?

**Mr CHAUDHARY:** I am not aware of those specific compartments but I can take it on notice and check it.

**ANSWER:**

The compartments on Forestry Corporation's plan of operations are listed on the Plan Portal on its website.

**Question 31 (page 76 of transcript)**

**Mr JUSTIN FIELD:** So you will have a range of general measures, which will then be complied to each compartment. That might be additional exclusion from creek lines or an additional number of hollow-bearing trees that are retained. Have you got any idea what these look like yet?

**Mr CHAUDHARY:** If you are asking on a site-by-site basis, that is what we are working through at this stage. What we have defined is at the landscape level what those measures look like.

**Mr JUSTIN FIELD:** Are you able to put on notice what those landscape measures look like?

**Mr CHAUDHARY:** Yes. It is almost there and we have also shared a draft of that with the EPA, but, as I said, we are working through it and as soon as we get that finalised I can take that on notice and share that with you as well.

**ANSWER:**

On top of all the environmental safeguards that already exist under the Coastal IFOA, additional environmental safeguards include greater numbers of hollow bearing trees retained in each operation, large areas excluded from harvesting at both the Local Landscape Area and Operational Planning Area levels, additional ecology surveys and additional protection on drainage and riparian zones and environmentally sensitive areas which are already protected from harvesting operations.

The specific measures for each individual site will be detailed in the harvest plan for the operation. Harvest plans will be published on the plan portal as soon as practicable after they have been developed and within the mandatory notice period contained in the regulation.

### Question 32 (page 76 of transcript)

**Mr JUSTIN FIELD:** Well, we will see about that. Can you inform the Committee how much logging has occurred since the fires in koala habitat across New South Wales?

**Mr CHAUDHARY:** I do not have the figures to hand but I can take that away and tell you. But I can say generally that koala habitat is not specific to any particular area and koala habitat is not specific to a particular land tenure either. Koala habitat varies from low, moderate, high, depending on which part of the forest they are in. Again I point to the comment that I made earlier that our planning processes take that into account when we conduct our surveys and searches before we undertake the harvesting operation. So we then identify those koala habitats and provide adequate protection to those.

**Mr JUSTIN FIELD:** If you could come back with how many compartments and how many hectares of high and very high koala habitat have been logged by Forestry Corporation since the fires, that will be good

### ANSWER:

Information is not compiled in this manner.

### Question 33 (page 77 of transcript)

**Mr DAVID SHOEBRIDGE:** Mr Chaudhary, could you provide the number of hectares of forest that was logged by the hardwood division in each of the last three financial years? It used to be information that was provided in the annual report but is no longer provided for some reason.

**Mr CHAUDHARY:** I think it is probably on our sustainability report. We provide a lot of information on—

**Mr DAVID SHOEBRIDGE:** It is not there either.

**Mr CHAUDHARY:** I can take that on notice.

**Mr DAVID SHOEBRIDGE:** But you definitely have that data.

**Mr CHAUDHARY:** Yes, definitely.

**Mr DAVID SHOEBRIDGE:** If you could provide that for the last three years, that would be very helpful.

**Mr CHAUDHARY:** Yes

### ANSWER:

This information is published in the Sustainability Report, under the section headed “Harvesting and regeneration” on Forestry Corporation’s website.

### Question 34 (page 77 of transcript)

**Mr DAVID SHOEBRIDGE:** What herbicides have Forestry Corporation used in the Newry State Forest? First of all, what have been aerial sprayed and if there is not aerial spray what has been used for ground spraying?

**Mr CHAUDHARY:** I understand that the herbicide that we use needs to be registered with the Australian Pesticides and Veterinary Medicines Authority [APVMA]. Certainly the herbicide we used was registered with the APVMA. Before we would carry out any of those operations we would ensure that adequate signage and communication was conducted to make sure that there were not any herbicides that were sprayed anywhere else.

**Mr DAVID SHOEBRIDGE:** Will you provide the Committee on notice the details of what chemicals actually were used in the aerial spraying?

**Mr CHAUDHARY:** Yes, we can do that.

**Mr DAVID SHOEBRIDGE:** And, if you can, when that spraying was done.

**Mr CHAUDHARY:** Sure.

**Mr DAVID SHOEBRIDGE:** Sticking to Newry State Forest, what, if any, consultation was undertaken with the Gumbaynggirr people, the local First Nations traditional owners, about their sacred sites before the roads were put through the forest by Forestry Corporation—I think they commenced creating new roads in 2017? Was there any consultation with the traditional owners?

**Mr CHAUDHARY:** Specific to that forest I will have to take that away, but we do consult with the local Aboriginal land council in all our operations; it is part of our general planning process and I would assume we would have done the same, but I can take that on notice.

**Mr DAVID SHOEBRIDGE:** You know that there were three serious breaches that were identified through the creation of those roads in 2017. What, if any, fines or penalties has Forestry Corporation paid?

**Mr CHAUDHARY:** I am not sure about that. I can again check that for you.

### ANSWER:

It is understood this question relates to a pre-establishment weed treatment carried out in a timber plantation within Newry State Forest on 12 February 2021 between approximately 6:30am and 9:10 am. The herbicides used in this operation were Crucial (Glyphosate 600 g/L), Associate (Metsulfuron Methyl 600 g/kg), Starane Advanced (Fluroxypyr Methylheptyl 333g/L), Simanex 900 WG (Simazine 900 g/kg), Liase (Ammonium Sulphate 417 g/L), Uptake Oil (Paraffinic Oil 582 g/L, Alkoxylated Alcohol Non-Ionic Surfactants 40 g/L), Pulse (1000 g/L Modified Polydimethylsiloxane).

Forestry Corporation maintains an existing network of roads in Newry State Forest and did not construct new roads in this forest in 2017. Forestry Corporation has not been notified of any serious breaches in relation to road construction in Newry State Forest in 2017.

### **Question 35 (page 77-78 of transcript)**

**Mr DAVID SHOEBRIDGE:** My final two questions are again on Newry State Forest. Regarding the scheduled logging—well, it is hard to get a schedule—but the proposed logging for Newry State Forest, when will Forestry Corporation actually release the ecological studies, the soil reports and the logging commencement dates so the local community can understand what your plans are?

**Mr CHAUDHARY:** At this stage I believe we are in our preliminary planning stage, so it will be some time in the future. Again, I can take that away on notice and firm up a date.

**Mr DAVID SHOEBRIDGE:** Will you sit down and communicate with the Gumbaynggirr people and speak to them about their concerns about their sacred sites that are the subject of these proposed logging operations in Newry State Forest? That is separate to Land Council. I am asking about traditional owners.

**Mr CHAUDHARY:** Okay. I can check that for you—what the process is.

**Mr DAVID SHOEBRIDGE:** Do you think it should be part of your basic operations to talk with First Nations owners?

**Mr CHAUDHARY:** We consult with the Aboriginal community on a whole variety of things, whether it is cultural burns, whether it is harvesting—it is part of what we do. With the specific one on Newry State Forest I would have to check into that, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** That is not what the Gumbaynggirr people have been telling me. They have been telling me that they have been desperately keen to be heard and there is no consultation process in place. But if you can provide any details that suggest otherwise on notice, please do, Mr Chaudhary.

**Mr CHAUDHARY:** Sure.

### **ANSWER:**

Forestry Corporation employs an Aboriginal Partnerships team who communicate and consult with bodies that represent Aboriginal communities, which are generally Local Aboriginal Land Councils, Native Title holders and nominated traditional owners' groups. This is a routine part of planning alongside consulting the NSW Government's central AHIMs database and facilitating cultural heritage surveys to identify and protect significant sites. Individual members of Aboriginal communities are represented through these nominated bodies.

With respect to the Newry State Forest, the reports have not yet been prepared and the operations have not yet been scheduled.

### **Question 36 (page 80 of transcript)**

**Mr JUSTIN FIELD:** I had asked a question about an EPA briefing note where the suggestion was that in the Lower Bucca State Forest, a high-value koala habitat, the suggestion is that Forestry Corporation had offered to voluntarily not log in unburnt forests. The indication here is that was subsequently rejected or you went back against it. It says in this briefing note that the rationale is because unburnt forests are needed to deliver on wood supply agreements. I just want to confirm that your understanding or your suggestion was that you had not given an undertaking to stay away from unburnt forests. Is that right?

**Mr CHAUDHARY:** I will have to go and check exactly what we did there, Mr Field. I would be misleading the Committee if I were to speculate on that.

**Mr JUSTIN FIELD:** Understandable. Then I might just get you to clarify a couple of other elements in here. It goes on to say that Forestry Corporation has voluntarily decided not to intensively log those forests and will apply selective harvesting requirements to them but that Forestry Corporation declined the EPA's request for additional site-specific conditions to be applied to bolster koala protections in those forests. If you could confirm that you then declined the EPA request for site-specific conditions, I would appreciate that.

**Mr CHAUDHARY:** Sure.

### **ANSWER:**

In January 2020, the Regions, Industry, Agriculture and Resources Group and the Environment, Energy and Science Group within the Department of Planning, Industry and Environment reached an in-principle agreement to prioritise the harvesting of burnt trees in state forests across NSW to minimise the harvest of green timber and unburnt areas of native forests in the short term. On the north coast, the majority of operations were moved to hardwood timber plantations. Where operations took place in areas that were not impacted by fires, voluntary steps were taken to reduce the intensity of operations.

Under condition 23.4 of the Coastal IFOA, there is a process under which site-specific operating conditions are required if the Coastal IFOA cannot be complied with. Condition 23.4 of the Coastal IFOA was not enacted for the purposes of identifying additional conditions for fire-affected forests in the operation that took place in Lower Bucca State Forest in 2020.



**Question 37 (page 81-82 of transcript)**

**Mr JUSTIN FIELD:** Okay, thank you. Could you confirm whether or not you think the statement is accurate that Forestry Corporation considered at the time—and this was the middle of last year, not long after the fires finished—that the force majeure may not apply to unburnt areas because if you were directed not to log those then that could be taken as a government direction that made the State liable for compensation? I am happy to provide this briefing to you.

**Mr CHAUDHARY:** I will check. That would be useful, thank you.

**Mr JUSTIN FIELD:** The suggestion went on that Forestry Corporation is seeking clarity or direction from the Government on the legal interpretation of the compensation clauses. I asked you previously about any legal advice that was sought and I think you indicated that you got internal legal advice. Could you just clarify what legal advice was sought to answer that question from within Forestry Corporation?

**Mr CHAUDHARY:** Yes

**ANSWER:**

In the general sense, despite having declared Force Majeure on a contract, Forestry Corporation still has obligations under contract law to try and meet its contractual obligations. Forestry Corporation's internal legal advice is subject to Legal Professional Privilege.

**Question 38 (page 82 of transcript)**

**Mr JUSTIN FIELD:** Mr Hansen, earlier today I think you indicated that some of the local mills—and I am particularly focused on the South Coast here—had been getting quite a lot of supply from private native forestry. I will take up some more questions next week during the agriculture Minister's hearings, but do you have any sense of how much of the gap between Forestry Corporation's wood supply agreements and demand from the mills has been filled by private native forestry? I am seeing a lot of trucks.

**Mr HANSEN:** That is an interesting question. I am not sure that we do and I am not sure that we have a way of capturing that at the moment. Let me have a look. We know the volumes that go through Forestry Corporation. What we do not have the equivalent of is what the mills are actually running through.

**ANSWER:**

As flagged during the hearing, we do not hold this information.

**Question 39 (page 82 of transcript)**

**Mr CHAUDHARY:** Mr Chair, if it is okay, can I just correct a comment that I made earlier regarding biomass? This is just a clarification. The definition of biomass can include firewood and other products that are used for energy production. My comments may not have been fully accurate, so I am happy to provide a breakdown of what biomass has been used for and take that away on notice. Small-scale sales of residue from timber harvesting operations and plantations have been made into biomass plants for electricity production, but no sales have been made out of native forest. I just wanted to clarify that.

**Mr JUSTIN FIELD:** I think that was one of the other questions, not from me, but thank you.

**ANSWER:**

Forestry Corporation publishes a biomaterial report on its website. No residue from native forests has been used for electricity production.