

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

**Tuesday, 2 March 2021**

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

## **ENERGY AND ENVIRONMENT**

<b>UNCORRECTED</b>
--------------------

**The Committee met at 09:30**

### **MEMBERS**

Ms Cate Faehrmann (Chair)

### **PRESENT**

Ms Abigail Boyd  
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

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

## **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 budget estimates 2020-21 initial hearings. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay respect to the Elders past, present and emerging of the Eora nation and extend that respect to other First Nations peoples present. I welcome Minister Kean and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios 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 or the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses in budget estimates 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 only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days.

Minister Kean, 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. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. We expect the transcript of this hearing to be available on the web from tomorrow morning. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing. 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.

**JIM BETTS**, Secretary, Department of Planning, Industry and Environment, affirmed and examined

**TRACY MACKEY**, Chief Executive Officer, NSW Environment Protection Authority, affirmed and examined

**JAMES HAY**, Deputy Secretary, Energy, Climate Change and Sustainability, Department of Planning, Industry and Environment, sworn and examined

**SHARON MOLLOY**, Acting Deputy Secretary, Biodiversity, Conservation and Science, Department of Planning, Industry and Environment, affirmed and examined

**ANDREW LEWIS**, Executive Director, Energy, Department of Planning, Industry and Environment, affirmed and examined

**PAUL GRIMES**, Coordinator-General, Environment, Energy and Science, Department of Planning, Industry and Environment, affirmed and examined

**ATTICUS FLEMING**, Deputy Secretary, National Parks and Wildlife Service, Department of Planning, Industry and Environment, affirmed and examined

**JOHN CLELAND**, Chief Executive Officer, Essential Energy, affirmed and examined

**KATE WILSON**, Executive Director, Climate Change and Sustainability, Department of Planning, Industry and Environment, affirmed and examined

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

**MICHELLE DUMAZEL**, Executive Director, Biodiversity and Conservation Division, Department of Planning, Industry and Environment, sworn and examined

**NAOMI STEPHENS**, Acting Executive Director, Park Operations, National Parks and Wildlife Service, Department of Planning, Industry and Environment, affirmed and examined

**ROBERT QUIRK**, Executive Director, Park Programs, National Parks and Wildlife Service, Department of Planning, Industry and Environment, affirmed and examined

**STEPHEN BEAMAN**, Executive Director, Regulatory Operations Metro, NSW Environment Protection Authority, sworn and examined

**CARMEN DWYER**, Executive Director, Regulatory Operations Regional, NSW Environment Protection Authority, sworn and examined

**GEORGINA KELLY**, Executive Director, Science, Economics and Insights, Department of Planning, Industry and Environment, sworn and examined

**ANDREW NICHOLLS**, Executive Director, Business Delivery, National Parks and Wildlife Service,

Department of Planning, Industry and Environment, sworn and examined

**BRENDAN BRUCE**, Executive Director, Office of the Coordinator-General, Environment, Energy and Science, Department of Planning, Industry and Environment, affirmed and examined

**DAVID FOWLER**, Executive Director, Regulatory Practice and Environmental Solutions, NSW Environment Protection Authority, affirmed and examined

**NANCY CHANG**, Executive Director, Regulatory Policy Initiatives and Advice, NSW Environment Protection Authority, affirmed and examined

**RAYNE DE GRUCHY**, Chairperson, NSW Environment Protection Authority, affirmed and examined

**The CHAIR:** Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. or 12.40 p.m.; however, we have agreed to have a 10-minute break at 11.00 a.m. and a 10-minute break at 3.30 p.m. and go for another 10 minutes, probably into the Government's question time. We will have questions as usual from Opposition and crossbench members only, and of course an additional 15 minutes is allocated at the end of each session if Government members wish to ask questions. As there is no provision for any witness to make an opening statement before the Committee commences questioning, we will begin with questioning from the Opposition.

**The Hon. PENNY SHARPE:** Good morning, Minister. Thanks everyone for coming.

**Mr MATT KEAN:** Good morning, Ms Sharpe.

**The Hon. PENNY SHARPE:** On 26 July 2020 you announced your goal to double the population of koalas by 2050 and you stated that you want at least another 20,000 koalas by then. Given the recent bushfires and obviously what we know about koalas, which is that 90 per cent of their populations are in decline and there is speculation there could be fewer than 20,000 left in New South Wales, what is the science behind the ability to double that by another 20,000?

**Mr MATT KEAN:** I have assembled an expert panel of some of the country's leading scientists, people like Professor Kathy Belov for example, to advise me on a plan to achieve that objective. That work is currently underway. I have had a briefing on where they are at but the science will look at a number of things, which include how to treat disease, how to protect from vehicle and dog attacks, how to do translocations. It will also look at things, the most important factor being the protection of habitat, both on private land and also obviously on public land.

**The Hon. PENNY SHARPE:** Minister, where did you get the 20,000 figure from?

**Mr MATT KEAN:** The 20,000 figure was the number that was included in the parliamentary inquiry report.

**The Hon. PENNY SHARPE:** You have just said we are going to double it by another 20,000, is that correct?

**Mr MATT KEAN:** Effectively what I said was we need to double the koala population. I know there

is a lot of conjecture about how many koalas there are in the wild at the moment. Obviously we need to baseline the number of koalas in the wild. I went off the report done by the parliamentary inquiry and it cited a number of 20,000. I thought that would be an appropriate figure to benchmark against. But notwithstanding that, we need to do some work to baseline how many koalas there are in the population.

**The Hon. PENNY SHARPE:** Minister, when you made the announcement you had already started to put the team together, had you not?

**Mr MATT KEAN:** I do not recall the specific dates but it is quite possible. We had a number of experts who had been advising the department. They had already done a lot of work on developing the initial NSW Koala Strategy and the Government was looking to update the strategy. But following the parliamentary inquiry I thought we need more than just a koala strategy, we need a plan to double the koala population, so I basically redirected the terms of reference.

**The Hon. PENNY SHARPE:** They had been looking at the issue of whether doubling the population was possible before you made your announcement, had they not?

**Mr MATT KEAN:** I am not sure they were specifically looking at doubling the koala population, but I am very happy for Ms Dumazel—

**Dr GRIMES:** Ms Dumazel might be able to provide us with a little more assistance on that.

**The Hon. PENNY SHARPE:** I will come back to that. That is fine, thank you.

**Mr MATT KEAN:** I was not specifically aware of a work plan to double the koala population. That was something that I thought would be an appropriate objective following the parliamentary inquiry.

**The Hon. PENNY SHARPE:** Minister, there are documents that basically suggest that the idea of putting a number on doubling the population was something that you were warned against. Why did you go ahead with that?

**Mr MATT KEAN:** As you know with these things, it is important to set targets. If you do not have a target, you cannot focus everyone's energies on achieving it, whether it be koalas or climate change. I think that we should be setting targets to make sure everyone is pushing in the same direction.

**The Hon. SHAYNE MALLARD:** Hear, hear!

**The Hon. PENNY SHARPE:** The experts—they are experts and I would heed their warnings very closely—in the material that I have got make comments such as, "How can you set a target for a population when you have no idea how many there are?" Why do you think just putting a number on that is reasonable?

**Mr MATT KEAN:** As I said before, the parliamentary inquiry cited a number of around 20,000.

**The Hon. PENNY SHARPE:** But the parliamentary committee at no point said that we should be doubling the population. The committee said the most important thing to do was to protect habitat.

**Mr MATT KEAN:** I agree with that. But if you want to double the population, you need to protect habitat. Protecting habitat is key to leading to increasing populations.

**The Hon. PENNY SHARPE:** Minister, in the material you were advised, and I quote and put on the record:

Please do not under any circumstances give a number that we shall achieve. I have seen this done with a range of other species across the nation and then management teams find themselves having to make substandard decisions for the species to meet an arbitrary number someone made up because they were asked to give one, rather than being based on fact. If we are pushed to give a koala number it is highly likely we will live to regret it.

Are you going to regret making that commitment, Minister?

**Mr MATT KEAN:** I tell you what we will regret, doing nothing. Right now if we continue on the trajectory we are on we will see a target hit by 2050 and there will be zero koalas in the population. That is not acceptable. I think that we should be setting—

**The Hon. PENNY SHARPE:** With respect, Minister, that is not a target, that is the reality of the declining population that has some pretty strong science behind it.

**Mr MATT KEAN:** That is where we are heading. So I think we should set—

**The Hon. PENNY SHARPE:** Your own experts have said that putting this arbitrary number around 20,000 is unhelpful.

**Mr MATT KEAN:** I think that we need to be looking to double the koala population. I think that no-one would object to us doubling the koala population, except for you.

**The Hon. PENNY SHARPE:** No, no-one is suggesting that, Minister.

**Mr MATT KEAN:** You are the only one that does not want to double koalas here. **The**

**Hon. PENNY SHARPE:** We are asking whether that is the best way to achieve it. **Mr**

**MATT KEAN:** I am very proud to be standing up for koalas, Ms Sharpe.

**The Hon. PENNY SHARPE:** By striding into the media and saying, "We are going to double the population", with no science behind it and against the advice of your own colleagues—

**Mr MATT KEAN:** Ms Sharpe, I am not going to apologise for setting ambitious plans to protect our most loved and iconic animals.

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

**The CHAIR:** Order! A point of order has been taken. Mr Mallard, yes, I understand what your point of order is going to be.

**The Hon. SHAYNE MALLARD:** Firstly, I do not have a microphone. My first one for the day, but let us not keep doing it every five minutes. Let the Minister speak. Let's not have two people yelling at each other. Hansard cannot possibly cope with that.

**The CHAIR:** I understand what the point of order is.

**Mr MATT KEAN:** Ms Sharpe, If I may, I am not trying to undermine the work of the scientists and I obviously always try to follow the science. I felt that it would be a good political marker, particularly for a Government that has had some troubles on moving forward with regard to the protection of koalas, to set an ambitious target, and I am not going to apologise for that.

**The Hon. PENNY SHARPE:** You admit that it is a political marker, there is no science behind being able to achieve it?

**Mr MATT KEAN:** I think it is good policy and good politics, to be frank. I am very happy for you to go to the next election saying that you do not want to double the koala population in New South Wales. I am very happy to run a campaign against that and let it be known that Ms Sharpe and the Labor Party do not want to double koala populations in New South Wales.

**The Hon. PENNY SHARPE:** That is the biggest load of rubbish I have ever heard, Minister. If that is the way you want to try to spin it, that is well and good. We are trying to investigate how we stop the extinction of koalas and just pulling a number out of the air against your own expert advice, it does not bode well for your expert panel when you ignore them at the first test.

**The Hon. SHAYNE MALLARD:** Is this a question, Madam Chair?

**The Hon. PENNY SHARPE:** Are you going to continue to ignore your expert panel?

**Mr MATT KEAN:** I hope that is a minimum standard that we can reach.

**The Hon. PENNY SHARPE:** What, ignoring them every time they give you advice?

**Mr MATT KEAN:** I hope that we can more than double koala populations.

**The CHAIR:** Order! Sorry, keep going. I am trying to stop the interruptions.

**Mr MATT KEAN:** The Labor Party used to believe in setting targets. With climate change you are always banging on about how the Federal Government should be setting a target with regard to emissions—

**The Hon. ADAM SEARLE:** But you have to know where you start, Minister. You have no idea where you are starting from.

**Mr MATT KEAN:** I think we need to—

**The Hon. CATHERINE CUSACK:** Point of order—

**The Hon. PENNY SHARPE:** Minister, a target is meaningless.

**Mr MATT KEAN:** I think we should be setting equally ambitious targets—

**The CHAIR:** Order!

**Mr MATT KEAN:** —when it comes to protecting our most loved and iconic animal.

**The CHAIR:** Order! If we are to get through this hearing today, could we please show basic respect to each other, both witnesses and members. We will be able to have a better time all round if we can do that.

**Mr MATT KEAN:** I agree. I have enormous respect for Ms Sharpe, so I am very happy to continue the line of questioning.

**The Hon. PENNY SHARPE:** Thank you. Minister, so you have set a target against the advice of your experts. Are you going to listen to the advice of your experts as this process goes on?

**Mr MATT KEAN:** I always think it is important to listen to expert opinion, but it is also important to make sure that we bring the community with us and also my parliamentary colleagues. That has been a challenge in recent times depending on the topic.

**The Hon. PENNY SHARPE:** We will get to the koala SEPP, Minister.

**Mr MATT KEAN:** Again, this is our most loved and iconic animal. If we do not do anything it is in deep trouble. I do not think it is unreasonable to say that we should be trying to double the koala population. If that is an aspirational target—

**The Hon. PENNY SHARPE:** Minister, so it is an aspirational political target with no science behind it?

**Mr MATT KEAN:** They are your words, not mine.

**The Hon. PENNY SHARPE:** Well, that is what you are saying.

**Mr MATT KEAN:** They are your words, not mine. I have said that we should be doubling the koala population in New South Wales.

**The Hon. PENNY SHARPE:** You said it is a political marker and it is an aspirational target.

**Mr MATT KEAN:** I hope that you would sign up to doubling the koala population of New South Wales. I hope that you would sign up to—

**The Hon. PENNY SHARPE:** I want to sign up to something that is going to save the species to stop them from going extinct.

**The Hon. CATHERINE CUSACK:** Point of order: I am sorry, Madam Chair. The Minister is giving his answer and the answer is then getting debated by the member.

**The CHAIR:** Yes. I hear your point of order, Ms Cusack, although I do not uphold it. The Minister knows that to come here he will face questions from the Opposition that challenge what he has just said and I think that is what has happened here. What I do not want to see happening is the witness and members talking over each other all the time, but that exchange was fair enough.

**The Hon. PENNY SHARPE:** What is the time frame for the development of the 30-year plan, Minister?

**Mr MATT KEAN:** The expert panel is working on it at present. I am expecting them to provide me with advice very soon. I will be making that advice public once we have worked through the proper processes.

**The Hon. PENNY SHARPE:** So will that advice be a draft plan that will then go out publicly? Is it a draft recovery plan? There were previously recovery plans in relation to species like koalas. Your Government dumped those. We then had the koala plan of management. In the past 10 years, as I have said, we have tracked that 90 per cent of the populations are declining, some have disappeared altogether. What is going to be different about the 30-year plan?

**Mr MATT KEAN:** Well, I want to see a concrete pathway and real deliverables that will actually go towards achieving the objective of increasing koala populations. Ms Sharpe, I think the community rightly expects us to be doing everything within our power to increase koala populations. The role of political leaders is to set the aim and then listen to the experts on how we get there, which is exactly what we are doing. I have set an ambitious aim. I have engaged very qualified experts that will map out a plan that will help us achieve that objective.

**The Hon. PENNY SHARPE:** So the time frame is soon? Next month?

**Mr MATT KEAN:** Imminent.

**The Hon. PENNY SHARPE:** Imminent? We will come back to "imminent" in a minute, Minister.

**Mr MATT KEAN:** I do not want you to steal my media opportunities here today.

**The Hon. PENNY SHARPE:** You are very good at saying everything is "imminent", so we will come back to that.

**Mr MATT KEAN:** I do not want you getting in the way of me and a media grab, Ms Sharpe. We will not be making announcements here at estimates.

**The Hon. PENNY SHARPE:** No, I am not. I am simply asking for a time frame. You have just said that the community cares; that there is a lot of scientific information. As we know, all across the State people are very concerned that on your watch and our watch collectively, we could lose koalas in the wild by 2050. I do not think it is an unreasonable thing for me—other than you saying "imminently" and as I said, we will get back to that—

**Mr MATT KEAN:** Ms Sharpe, we will announce the plan when it is ready and once we have gone through the proper processes.

**The Hon. PENNY SHARPE:** Months? Years?

**Mr MATT KEAN:** When it is ready and once you have gone through the processes and we have built the political consensus, just like we did with our energy roadmap, to get a great result for our koalas. That is my commitment.

**The Hon. PENNY SHARPE:** Will there be targets for habitat protection within that plan?

**Mr MATT KEAN:** I am not going to play rule-in, rule-out games, but obviously you and I both know—

**The Hon. PENNY SHARPE:** No targets for habitat protection?

**Mr MATT KEAN:** That is not what I am saying. Ms Sharpe, you and I both know that the key to protecting koalas—

**The Hon. PENNY SHARPE:** Is there going to be limits to land clearing?

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

**Mr MATT KEAN:** May I finish? You and I both know, Ms Sharpe, that if you want to protect koalas and you want to see them thrive into the future that you need to protect their habitat. I have said that on the public record many times. That is what I expect our experts to advise me. Then we need to come up with a plan—

**The Hon. PENNY SHARPE:** Minister, you could not get the koala SEPP sorted out.

**Mr MATT KEAN:** —to not only expand public land where koalas live and perhaps revegetate land so that we are able to do things like translocations, but it is also about making sure that we can protect private land.

**The Hon. PENNY SHARPE:** You will get no disagreement from me, Minister.

**Mr MATT KEAN:** That includes using tools, regulatory instruments, and it also includes using things like the biodiversity conservation trust to incentivise landowners—

**The Hon. PENNY SHARPE:** That is terrific. So you have a target for a population that is not based on anything?

**Mr MATT KEAN:** Could I just finish my answer?

**The Hon. PENNY SHARPE:** Sorry. I will let you. Okay.

**Mr MATT KEAN:** It is also about using things like the Biodiversity Conservation Trust to incentivise landowners to protect koala habitat. We need to get the balance right between protecting and respecting private property rights and delivering on this, what I think, or what we on the Coalition side think, is a very noble objective, which is aligned with community expectations, that we should be trying to double koala populations. The only one who does not seem to want to double the koala population in New South Wales is you, Ms Sharpe.

**The Hon. PENNY SHARPE:** That is a load of rubbish, Minister, but that is fine if that is the spin you want to put on it. As I said, the entire target is a political marker and aspiration. So you are willing to put targets, you are willing to say that we have a target to double the population, which is a very nice grab to divert from all the things that you are not doing, but you will not tell the Committee whether we are going to have targets for habitat protection or limits on land clearing?

**Mr MATT KEAN:** What I am saying is we will announce the plan when it is ready. We will go through the proper process to bring my colleagues on board, to build a political consensus, just like we did with the energy roadmap—

**The Hon. PENNY SHARPE:** And you completely failed on the koala SEPP, Minister.

**Mr MATT KEAN:** —to get a great result for our koalas.

**The Hon. PENNY SHARPE:** The most important lever that you had was the koala SEPP. You are talking about political consensus. You could not even get your Coalition partner to the table and they threatened to blow up the joint. Do you think that is a reasonable outcome?

**Mr MATT KEAN:** Ms Sharpe, this is exactly why we need to build a political consensus and bring

**The Hon. PENNY SHARPE:** Well, you have failed so far. How are you going with the Nats?

**Mr MATT KEAN:** People said that a Coalition government would never be able to come up with an energy policy. Well, not only did we come up with an energy policy, we came up with the most ambitious energy policy—

**The Hon. PENNY SHARPE:** You will get to talk to Mr Searle and Mr Buttigieg about energy. I am talking about koalas.

**Mr MATT KEAN:** —in the country and we built a broad coalition of support to deliver a great outcome. That is not something that has been achieved anywhere in the country, let alone here in New South Wales. I think we should take the same approach to building a coalition, firstly within the Coalition and then building multiparty support to protect our koalas and see them thrive into the future.

**The Hon. PENNY SHARPE:** I hope you are talking to the Deputy Premier.

**Mr MATT KEAN:** I regularly talk to the Deputy Premier. The Deputy Premier—

**The Hon. PENNY SHARPE:** I would like to move on—

**The CHAIR:** Order!

**Mr MATT KEAN:** —as you saw at estimates the other day was also very keen to protect koalas.

**The CHAIR:** Order! Minister, there has to come a time—

**The Hon. PENNY SHARPE:** When you stop talking.

**The CHAIR:** —when you stop talking and allow members to ask questions.

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

**The CHAIR:** No, this is true. At some point the Minister has to stop to allow members to ask questions. It goes two ways. I have said this already to the members here today, to Ms Sharpe, if she could also allow the Minister to respond.

**The Hon. BEN FRANKLIN:** That is all I am asking for.

**The CHAIR:** But there has to be a bit of quid pro quo. You may proceed, Ms Sharpe.

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

**The Hon. PENNY SHARPE:** Can you stop taking up my time?

**The Hon. SHAYNE MALLARD:** Point of order: The point is that the member made an allegation around the Deputy Premier. The Minister has a right to respond to that and he was doing so.

**The CHAIR:** I do not believe she made an allegation about the Deputy Premier.

**The Hon. SHAYNE MALLARD:** How is the relationship with the Deputy Premier, she said.

**The Hon. MARK PEARSON:** To the point of order, very quickly—

**The Hon. PENNY SHARPE:** Can we stop taking up my time?

**The Hon. MARK PEARSON:** That was not a comment about the Deputy Premier in a negative way. The Minister has not actually answered the specific question.

**The CHAIR:** Let us keep going.

**The Hon. PENNY SHARPE:** Just to be clear, Minister, were you briefed about the advice not to put a number on doubling the statewide population before you made the announcement?

**Mr MATT KEAN:** Ms Sharpe, I do not think there is anything wrong with setting targets. I am not going to accept criticism—

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

**Mr MATT KEAN:** I am not going to accept criticism for setting targets.

**The Hon. PENNY SHARPE:** Minister, with respect, that is not my question. It is a very direct question.

**Mr MATT KEAN:** In fact, today—

**The Hon. PENNY SHARPE:** No. I am not going to interrupt you if you are actually answering the

question that I ask. I am not going to interrupt you, but if you are just going to go on—

**Mr MATT KEAN:** Ms Sharpe, you have asked me—

**The Hon. PENNY SHARPE:** —and keep talking and not provide an answer to the very direct question I have asked.

**Mr MATT KEAN:** Ms Sharpe, you have asked me a question about targets. I am reading a press release from the Nature Conservation Council [NCC], which was issued today, who have said—

**The Hon. PENNY SHARPE:** This has nothing to do with the question I asked, Minister.

**Mr MATT KEAN:** —that we should double their numbers by 2050. I hope you are not attacking Chris Gambian and the NCC as well.

**The Hon. PENNY SHARPE:** Minister, are you going to answer the question or not? If you don't know, say you don't know.

**Mr MATT KEAN:** I am answering your question about the importance of targets—

**The Hon. PENNY SHARPE:** Just yes or no: Were you briefed or given any advice about not putting a number on koala targets before your announcement, yes or no?

**Mr MATT KEAN:** You are criticising not only me, you are criticising the NCC, these champions of the environment.

**The Hon. MARK BUTTIGIEG:** It is a direct question. Answer the question.

**The CHAIR:** Order!

**Mr MATT KEAN:** And I feel that is very unfair.

**The Hon. PENNY SHARPE:** I would be happy for the NCC to talk about my record in relation to the environment and care about koalas anytime.

**Mr MATT KEAN:** I am not criticising your record on the environment, what I am saying is—

**The Hon. PENNY SHARPE:** Well, you are trying to be smart about it. Answer my question: Were you briefed prior to making your announcement about doubling the koala numbers? Did you receive the advice from your experts that putting a number on it was not helpful?

**Mr MATT KEAN:** Ms Sharpe, I do not—

**The Hon. PENNY SHARPE:** If you do not know, say you do not know. If you do not want to answer, we will move on.

**Mr MATT KEAN:** That is not what I am saying, Ms Sharpe.

**The CHAIR:** Order! Order! Allow the Minister to answer the question.

**The Hon. PENNY SHARPE:** Yes or no. It is a yes or no question.

**Mr MATT KEAN:** What I am saying is that the community expects us to double koala populations or to do everything we can to grow koala populations.

**The Hon. PENNY SHARPE:** Were you briefed by your experts prior not to put a number on it?

**Mr MATT KEAN:** I think it is appropriate that politicians can set an objective and then listen to experts to meet that objective. That is what we are doing, Ms Sharpe. It is not just me doing that, that is what the NCC is suggesting.

**The Hon. PENNY SHARPE:** Minister, you have not answered the question and that is fine. If you think you are really clever, and you do not want to answer the question, I will move on. Twelve months ago at the last budget estimates appearance you said, "We obviously have a well-developed plastics plan which we will release shortly. It is very well developed. The release will be imminent." There is a discussion paper, and we have seen no progress in relation to the reduction of single-use plastics in New South Wales. What is happening to your "very well developed" imminent plastics plan?

**Mr MATT KEAN:** You will just to have wait and see, Ms Sharpe. I do not want to spoil another media opportunity here today at estimates.

**The Hon. PENNY SHARPE:** Imminent—12 months later?

**The CHAIR:** Order!

**Mr MATT KEAN:** You are trying to get all my stories out on the public record on one day. We have a very important plan. Single-use plastics are having a devastating impact on our environment—

**The Hon. PENNY SHARPE:** Minister, you have been promising this for two years and there has been zero. Do you know how many billion bags are in New South Wales as a result of your failure to take action?

**Mr MATT KEAN:** This Government believes in proper process, Ms Sharpe. Can I finish my answer, Ms Faehrmann?

**The CHAIR:** Yes, you can.

**Mr MATT KEAN:** Single-use plastics are having a huge impact on not only our environment but also our waterways and our marine animals are suffering. We need to make sure that we do not just go and grab a headline. We have a comprehensive plastics strategy. We need to make sure—

**The Hon. PENNY SHARPE:** Are you serious? You do not have a straight face?

**Mr MATT KEAN:** We need to make sure that we have got a comprehensive waste strategy.

**The Hon. PENNY SHARPE:** In your headline the last time, you said the final strategy will be ready by 2020. Where is it?

**Mr MATT KEAN:** We will be announcing it very shortly. I hate to tell you, Ms Sharpe, last year was a difficult year on a number of fronts. We had a pandemic. The department was trying to cope with a range of very challenging issues. We got the most comprehensive suite of energy reforms through the Parliament—the biggest energy policy arguably in the nation's history.

**The Hon. PENNY SHARPE:** But you failed to make a commitment around plastic. Just admit that you failed to meet your commitment around plastics.

**Mr MATT KEAN:** No. We will meet and beat any commitments around plastics. We will have the most comprehensive plastics plan in the country.

**The Hon. PENNY SHARPE:** You voted down single-use plastic bags legislation at least four times and we have got nothing in place.

**Mr MATT KEAN:** It will put Lily D'Ambrosio and the Labor Government's announcement in Victoria to shame. I am willing to put that on the public record, Ms Sharpe.

**The CHAIR:** Minister, in relation to koalas, two-thirds of koala habitat, I believe, is found on private land. Is that your understanding?

**Mr MATT KEAN:** Yes, I am not going to contest that.

**The CHAIR:** Earlier you were talking about the need, of course, to protect koala habitat but also protecting and respecting landholder's rights.

**Mr MATT KEAN:** Yes.

**The CHAIR:** I want to move to the NSW Audit Office report of 2019 into managing native vegetation. That report found disturbing increases of clearing since your Government's new laws came into force. How many compliance officers are there now within a year?

**Mr MATT KEAN:** I will hand that over to Dr Grimes, if that is okay?

**Dr GRIMES:** I will just see if we have a witness who might be able to give you that answer. Otherwise we will take that on notice.

**The CHAIR:** That is fine. We can get it this afternoon. I thought that might be a reasonable to answer because there is not many of them.

**Dr GRIMES:** It could be something we could pick up this afternoon.

**Mr MATT KEAN:** Ms Molloy is able to answer that question.

**Ms MOLLOY:** We have currently got 36 full-time equivalent positions in compliance.

**The CHAIR:** Full-time equivalents—so roughly in terms of individuals?

**Ms MOLLOY:** Probably around the 40 mark, 42 mark.

**The CHAIR:** What is the number of native vegetation cases which are currently open at the moment roughly?

**Ms MOLLOY:** I might just have to double check my figures. It is probably around 450 but I will get.

back to you after I double-check that.

**Answer**

I am advised that as of 9 March 2021, there are 392 open cases relating to alleged clearing of vegetation under the *Local Land Services Act 2013* and the repealed *Native Vegetation Act 2003*.

**The CHAIR:** Do you know if that is an increase on what the Audit Office found a couple of years ago? Is that an increase in terms of the cases currently under investigation?

**Ms MOLLOY:** Not an increase, but under different legislation. So we had a number of legacy native vegetation cases that had to be dealt with. So those matters—I think there were about 177 under the old legislation—for the most part have been resolved and then there is a transition to the Local Land Services Act. So potentially not an increase in cases but under just different legislation as part of that transition.

**The CHAIR:** Are those compliance officers, in terms of investigating potential breaches under part 4 of the Local Land Services Act, also responsible for investigating other breaches of other legislation?

**Ms MOLLOY:** Yes, they are. They will investigate Aboriginal culture and heritage impacts under the National Parks and Wildlife Act and also any breaches to threatened species under the Biodiversity Conservation Act and, as I said, the legacy native vegetation cases, which are pretty much resolved at this stage, and also the Local Land Services Act.

**The CHAIR:** What is the approximate average time that the land clearing cases particularly, investigation into potential unlawful clearing, take to investigate and come to a finding?

**Ms MOLLOY:** That will depend on the complexity of the case.

**The CHAIR:** Which is why I am asking about an average time.

**Ms MOLLOY:** Yes, I do not have a figure on the average but if it is an advisory letter, it might take a couple of weeks. If it is something that has to go through the court system, it could take a couple of years. If it is a penalty infringement notice [PIN] or a fine, then it could take a couple of months. It just depends on the complexity. It depends on how much evidence is needed to be gathered. It depends on how many field trips need to be undertaken to gather that evidence. I do not have an average.

**The CHAIR:** Is it fair to say that there are many more cases per officer than an officer could possibly hope to investigate and resolve in any one year, and it is increasing?

**Ms MOLLOY:** I cannot comment on whether it is increasing or not. I will have to look back at my figures. One of the things that we do—we have got a really good compliance framework where we risk manage the complexity of the cases. So there might be a number of cases, and some of them are easier to deal with than some of the more egregious cases. So we have a really tight framework that the staff work through to risk manage the caseload.

**The CHAIR:** That is good to know but the question was more around cases per officer than any officer can hope to resolve in any given year?

**Ms MOLLOY:** I cannot comment on the number of cases per officer. I will have to take that part on notice.

**Answer**

I am advised that the number of investigations opened per full-time-equivalent compliance officer each calendar year were:

- 2017: 44
- 2018: 35
- 2019: 42
- 2020: 46.

These figures only contain compliance staff with a direct role in managing cases. They do not include additional staff who work on other areas of the compliance program.

**The CHAIR:** I am hearing that there are more cases per officer and there is frustration within that unit felt by compliance officers and people there that they cannot deal with the extent of land clearing cases. I will now move to the Minister. Minister, I started with the extent of koala habitat on private land—

**Mr MATT KEAN:** Yes.

**The CHAIR:** Given you have set that very ambitious target of doubling koala numbers by 2050—I am unsure where that came from—but with two-thirds of koalas on private land, do you intend to increase the number of compliance officers to deal with what we hear are too many cases of potential illegal land clearing for those officers to deal with?

**Mr MATT KEAN:** Firstly, I will take advice from the department as to whether there is appropriate resourcing to meet the needs of our compliance and inspection regime. Let me just say this, obviously the issue of protections on private land will be key in terms of delivering on our commitments to double koala populations. Those commitments that Ms Sharpe does not like but nonetheless—

**The Hon. PENNY SHARPE:** No, Ms Sharpe thinks they are not based on anything reasonable.

**The CHAIR:** Order!

**Mr MATT KEAN:** Nonetheless, we will set an ambitious target. I understand there will be a number of levers that we are going to need to pull in order to incentivise and protect koala populations on private land.

**The CHAIR:** I will interrupt you there. Members should try not to talk over each other. I know what the Minister is about to say but you said you would take advice from your department about the Audit Office report. However, the 2019 Audit Office report basically had very disturbing incidences of increased illegal clearing and made a number of key recommendations in 2019, one of which was ensuring that what was the Office of Environment and Heritage, which of course is now EES, ensures staff have sufficient systems and resources to adequately investigate unlawful land clearing and to gauge clients with the code, including accurate special data on all land clearing approvals. Two-thirds of koala habitat is on private land. We are hearing that compliance officers cannot deal with the numbers of illegal clearing cases that they are hearing about which is increasing. Minister, you should not have to take advice from your public servants. What are you doing to increase the number of compliance officers so that this clearing does not continue?

**Mr MATT KEAN:** As I said, there are a suite of measures that the Government uses to try to protect koala habitats on private land, including compliance measures. That said, you know that there is a three-year review of the native vegetation laws that is about to commence. We will wait until that review is completed and then we will consider the recommendations at the appropriate time.

**The CHAIR:** Minister, you do know, though, that that could potentially take years. This came out in December 2019. That really highlighted the fact that you did not have enough compliance officers within your department to deal with illegal clearing. So two-thirds of koala habitat on private land. We know that they are at risk from private native forestry, which I will probably get to hopefully later, but illegal land clearing as well. You are the Minister. Why have you not put more resources into ensuring there are more compliance officers now—not in two years, not in three years? This is December 2019; you have known this has been a problem for years.

**Mr MATT KEAN:** As I have said to you, and you have just heard Ms Molloy's testimony, it is a matter for the department as to how they resource the functions of government. I am happy to hand that over to the department, but the advice I have got from my team is that there are adequate resources and if we need to look at other measures then of course we will.

**The CHAIR:** So can I just check on that? You are the Minister here appearing before budget estimates that has made the commitment to double koala numbers by 2050. Two-thirds of koala habitat is on private land. I am hearing from a number of people about the allegations of illegal clearing and not enough compliance officers. It is not up to you to say, "Yes, let us get more compliance officers"? It is up to the public servant sitting to your right?

**Mr MATT KEAN:** Madam Chair, that is not what I said—

**The CHAIR:** It is a political decision, is it not?

**Mr MATT KEAN:** —I said that is an important lever that we have, which we use. We have compliance officers in the field. They have got 400 open cases at the moment and they are working through them.

**The CHAIR:** Will you order them now? Will you say, "I think we need more compliance officers given the extent of illegal clearing and the recommendation from the Audit Office of New South Wales"?

**Mr MATT KEAN:** Madam Chair, I am not going to make policy on the run. I am not going to make staffing allocations on the run. I am saying that you know only too well that it is not just about activity on private

land, it is also about public land. We are expanding—

**The CHAIR:** I know, but I am just talking private land. Do not go public land. This is just private land at the moment.

**Mr MATT KEAN:** —the public land estate aggressively. We have already increased the public land estate by 200,000 hectares.

**The CHAIR:** I know. That is good. Let us stick to my question.

**Mr MATT KEAN:** By the time we have finished we will have increased the public land estate with my objective of 400,000 hectares—

**The CHAIR:** Minister, that is terrible avoidance of the question.

**Mr MATT KEAN:** It is not an avoidance of the question.

**The CHAIR:** It was, directly. We will move to Mr Pearson.

**The Hon. MARK PEARSON:** Thank you, Minister. My question is in relation to biomass and the renewable energy plan. Minister, we commend the renewable energy plan and that is why the Animal Justice Party supported the bill to become an Act, despite you no doubt had a lot of opposition from fossil fuels industries and parliamentary colleagues. It is with great consternation, however, that we have become aware that there could be a serious problem in relation to some of the resourcing behind this plan. Can the Minister confirm that, under the new renewable energy plan, the forest remnants left in the wake of logging our native forests will be sent to processing as biomass to be converted into electricity and hydrogen?

**Mr MATT KEAN:** Thank you, Mr Pearson, for your question. Firstly, biomass could have a pathway under the renewable energy road map. It definitely could. But there are a number of ways that biomass could be used to generate electricity. The idea that you would actually log and burn timber to create electricity is abhorrent to me. Under the current Environment Protection Authority [EPA] rules, that is prohibited. You cannot log from State forests and whatnot for the express purpose—

**The Hon. MARK PEARSON:** That is not what we are talking about. We are talking about the remnants of logging and the dependence on the remnants of logging for this industry.

**Mr MATT KEAN:** In answer to your question, could you use the remnants of logging to generate electricity? Yes.

**The Hon. MARK PEARSON:** But is it also going to be used in relation to the production of hydrogen?

**Mr MATT KEAN:** The production of hydrogen requires the electrolysis process. It requires electricity generated to power the electrolysis process. So it would not be directly used to create hydrogen, but, I guess, if you could find—could you hypothetically use biomass to generate electricity to create hydrogen? I suppose so, but that would be a very expensive way to create hydrogen.

**The Hon. MARK PEARSON:** But the question is: Can you assure us that there is not going to be any of these biomass materials being used and removed from forests which would otherwise be sequestered into the forest? The concern here is that after logging there is going to be a removal of all of these remnants, and yet they are extremely important for the actual health of the forest that is remaining and for these biomass materials to be sequestered back into the forest. That cannot happen if they are being removed.

**Mr MATT KEAN:** Mr Pearson, I will let Ms Mackey from the EPA talk more specifically to the point. I will just give a high-level response to say: Could harvested timber offcuts be used currently to generate electricity? Yes. It is currently being used at places like Cape Byron to generate electricity. That is a biomass plant that was set up to, basically, burn sugarcane. There are times of the year when there is no sugarcane to burn so they take the offcuts from timber harvesting out of State forests. So, yes, there are plants that currently exist that create electricity using biomass, but to suggest that they would go and deliberately harvest biomass specifically for the purpose of generating electricity, that is not something I want to see. Mr Mackey, do you want to expand on that?

**Ms MACKEY:** The way the biomass operates is that they have explicit orders under our resource recovery orders, and it is clear what they can and cannot use in terms of what you are calling "offcuts". So I want to just go into a bit of detail around those offcuts. The offcuts that can be used from native forestry are those that have already been through the mill—for example, the sawdust, of which they have great piles. But it is not the offcuts. For example, if you go into a native forest—one of our State forests that has been harvested—you will see remnants of trees and the undergrowth that are left in the forest. They cannot take that and use that as part of that resource recovery order.

**The Hon. MARK PEARSON:** Are you saying, Ms Mackey, that it is illegal—it is not permitted—to remove the material left in the forest after the logging has occurred?

**Ms MACKEY:** I want to be clear that that is around native forests. There are other arrangements for plantation forests. There are also different arrangements—that is why I just wanted to go into the detail—

**The Hon. MARK PEARSON:** I do not think we will have enough time for the detail.

**The Hon. BEN FRANKLIN:** It is a very complex issue.

**The CHAIR:** Order!

**The Hon. MARK PEARSON:** Yes. I am sure you can put the complexities of the answer in writing to me, if you could take that on notice.

**The Hon. BEN FRANKLIN:** You cannot get a yes-or-no answer here.

**Ms MACKEY:** Happy to take that on notice.

#### Answer

I am advised that the use of native forest biomaterial for electricity generation is regulated by the Protection of the Environment Operations (General) Regulation 2009, clauses 96-98.

These clauses expressly prohibit the use of native forest biomaterial in electricity generation but exempt certain types of native vegetation or woody waste. This includes trees cleared during thinning operations, pulpwood logs and heads and offcuts from logging undertaken in accordance with an Integrated Forestry Operations Approval or a Private Native Forestry Plan. The Regulation also permits the use of native trees obtained from plantations and other forms of approved clearing under the *Environmental Planning and Assessment Act 1979*, *Local Lands Services Act 2013* and the *Roads Act 1993*.

More information can be found at [www.epa.nsw.gov.au/licensing/natforestbiofuel.htm](http://www.epa.nsw.gov.au/licensing/natforestbiofuel.htm).

**Mr MATT KEAN:** Can I just give you some comfort that New South Wales legislation does not permit logging native forests to produce wood for electricity generation? However, there are some specific exemptions for certain types of native vegetation and waste materials.

**The Hon. MARK PEARSON:** Are you aware of a letter regarding the use of forestry for bioenergy dated 11 February 2021, signed by 500 eminent scientists and economists, and addressed to various heads of States? These experts urge countries to stop burning forest biomass to generate energy. They state that numerous studies have shown that it will increase global warming for decades, even when the wood replaces fossil fuels. I will actually hand up those letters. Minister, are you aware of that letter?

**Mr MATT KEAN:** I am aware that there are a diversity of views around the use of biomass in our electricity mix. But let me be very clear with you: If we are going to get to net zero emissions by 2050 then there is going to be an important role for biofuels. For example, a lot of the airline companies are talking about moving to biofuels to replace kerosene, which is currently powering their jets. So there will be a role for biofuels in a world where we are trying to hit net zero emissions by 2050, and that is a world that, I think we all agree, needs to happen.

**The Hon. MARK PEARSON:** I will move on to another subject—

**The Hon. PENNY SHARPE:** Some of your colleagues not so much.

**The CHAIR:** Order!

**The Hon. MARK PEARSON:** I will move on to another area—

**The Hon. PENNY SHARPE:** Sorry, I could not help it.

**The Hon. SHAYNE MALLARD:** I missed that, Ms Sharpe.

**The CHAIR:** Order! Let us continue the questions, please. **The**

**Hon. PENNY SHARPE:** I will tell you later, Mr Mallard. **The**

**CHAIR:** Order!

**The Hon. MARK PEARSON:** Minister, have you ever seen exclusion fencing that is now being taken up by many landholders in New South Wales?

**Mr MATT KEAN:** Yes, I am aware that exclusion fencing is used.

**The Hon. MARK PEARSON:** Have you actually ever seen it?

**Mr MATT KEAN:** I have seen exclusion fencing from the perspective of our feral-free areas, which you may be familiar with, where we have put exclusion fencing to keep feral pests out of our national parks.

**The Hon. MARK PEARSON:** But are you aware of the new exclusion fencing that is now being adopted and can be set up for up to 50 kilometres to 200 kilometres long, if several landowners actually sign up to it. The actual reality is, Minister, that nothing can penetrate it but air. Animals are caught in it, animals are trapped and cannot find their way out for up to 50 kilometres to 200 kilometres. Echidnas actually get stuck in it and die from dehydration and starvation. Are you aware that this exclusion fencing is causing such harm to so many kangaroos, emus and many animals that are being trapped either inside or outside the exclusion fence?

**Mr MATT KEAN:** You have certainly made me aware of these issues. I know that your commitment to all animals is sincere and long held. I am concerned about those reports but, again, Mr Pearson, the Government needs to balance the needs of farmers and landowners with the needs to protect our environment and our animals. You well know that as the environment Minister I do not regulate exclusion fencing; that is a matter for Minister Marshall.

**The Hon. MARK PEARSON:** Yes, but if anything that Minister Marshall or any other department is actually authorising has an impact or potential impact on wildlife then it comes under your watch, Minister. That is true, is it not?

**Mr MATT KEAN:** It is. Mr Pearson, I have an expectation that animals are treated humanely and that our practices are consistent with animal welfare advice. To that end, I am very happy to take these issues up with Minister Marshall and see how we can strike a better balance for you.

**The Hon. MARK PEARSON:** Minister, when the Local Land Services Amendment (Miscellaneous) Bill 2020 came before your House how did you vote?

**Mr MATT KEAN:** I supported the Government position, I would imagine.

**The Hon. MARK PEARSON:** If you supported that bill—

**The Hon. PENNY SHARPE:** You would hope so.

**Mr JUSTIN FIELD:** He possibly did not read it first.

**Mr MATT KEAN:** I do not recall crossing the floor.

**The Hon. MARK PEARSON:** If you supported that bill—

**The Hon. SHAYNE MALLARD:** It is a Westminster Parliament, isn't it?

**The Hon. MARK PEARSON:** —which came about after this Committee made numerous recommendations that had bipartisan support; then suddenly this bill came before your House and our House, and thankfully it was blocked in our House. But how can you possibly say that you have a commitment to doubling the population of koalas by 2050 when this bill completely goes against virtually all the recommendations that this Committee, with bipartisan support, recommended to the Government?

**Mr MATT KEAN:** I think the Committee did an outstanding body of work and I commend all members of the Committee, who engaged in it in a sincere way. The Government needs to do more to protect koalas and deliver on not only the Committee's expectations but also the community's expectations. I have got an independent expert panel that will advise me on a pathway that will deliver on that objective to double our koala populations, an objective shared by the NCC. I intend, like I did with the energy road map, to find a path forward that brings all stakeholders along with us.

**The CHAIR:** Thank you. Now to questions from the Opposition.

**The Hon. MARK BUTTIGIEG:** Minister, in your capacity as energy Minister are you able to tell us how much the Government has received in dividends from the partially leased assets of Ausgrid and Endeavour Energy since their sale in 2015?

**Mr MATT KEAN:** I am happy to take that on notice or to get one of my officials to give you the answer right now.

**The Hon. MARK BUTTIGIEG:** Sure. Does anyone have the answer?

**Dr GRIMES:** I think we may have to take that on notice.

**Mr MATT KEAN:** We will provide that detail to you on notice.

**Answer**

This question should be referred to the Hon Dominic Perrottet MP, Treasurer and the Hon Damien Tudehope MLC, Minister for Finance and Small Business.

**The Hon. MARK BUTTIGIEG:** Okay, thank you. What about, then, the income revenue generated from Essential Energy, which you still own 100 per cent, over the past regulatory period—that is, 2015 to 2019? I am talking about the three components that that revenue constitutes, which are direct dividends, tax equivalents and interest to TCorp.

**Mr MATT KEAN:** Again, I am happy to provide that to you on notice, or Mr Cleland is here if you would like to speak to him directly.

**The Hon. MARK BUTTIGIEG:** Sure. Mr Cleland, do you have those figures?

**The CHAIR:** I think he is in the other room.

**Answer**

I am advised that a breakdown of the relevant component figures is provided in the below table.

\$ Nominal	FY15	FY16	FY17	FY18	FY19	TOTAL
Current tax expense	144	13	30	30	67	284
Dividends	59	28	28	0	0	115
Government guarantee fee	81	87	92	98	99	457
<b>Total shareholder payments</b>	<b>284</b>	<b>129</b>	<b>150</b>	<b>128</b>	<b>166</b>	<b>857</b>

**Mr MATT KEAN:** I think he is in the outhouse.

**The Hon. MARK BUTTIGIEG:** Sorry, okay.

**Mr MATT KEAN:** Did you want to continue questioning while he comes?

**The Hon. MARK BUTTIGIEG:** Sure. What if I put to you, Minister, that prior to the sale of—people will recall that there were three entities that were sold: TransGrid, Ausgrid and Endeavour. TransGrid was 100 per cent sold; Ausgrid and Endeavour were partially leased—around about 50 per cent. Prior to their sale those entities were responsible for about \$2 billion in annual revenue to the Government. Does that sound about right to you?

**Mr MATT KEAN:** Yes.

**The Hon. MARK BUTTIGIEG:** In the absence of knowing how much these entities are still paying to you as an almost 50 per cent shareholder—my understanding is that those entities have not paid anything for the last couple of years—do you concede that the foregone revenue to the Government is quite significant over the past few years from the sale of those assets?

**Mr MATT KEAN:** That would have to be a question for the Treasurer. I am the energy Minister and my role is to ensure safe, reliable and affordable energy to the citizens and businesses of New South Wales. If your question goes to the financial position of the State that is probably best answered by Minister Perrottet.

**The Hon. MARK BUTTIGIEG:** My understanding is that the Government still has significant interests via—are you familiar with the term ERIC, or Electricity Retained Interest Corporation?

**Mr MATT KEAN:** I am not familiar with the term. Again, that comes under the purview of the Treasurer, I believe.

**The Hon. MARK BUTTIGIEG:** The Government retains an interest in those entities via ERIC and

there are board members who sit on those privatised entities of Ausgrid and Endeavour. Are you aware of that?

**Mr MATT KEAN:** I suspect they are matters for the Treasurer. He is the shareholding Minister so he is probably best placed to answer these questions, Mr Buttigieg.

**The Hon. MARK BUTTIGIEG:** Those board representatives—I think the taxpayers of New South Wales, who own 49.67 per cent of those entities, would want to know whether or not their energy Minister has a dialogue with people on the boards of those entities. Presumably you are interested, to a degree, in the financial performance but also in things like reliability and service provision. Would you accept that, as the Minister?

**Mr MATT KEAN:** Obviously my responsibility as the energy Minister is to ensure the citizens and businesses of this State get access to cheap, reliable and affordable energy. To that end, we have systems and processes in place to ensure those objectives are met with—

**The Hon. MARK BUTTIGIEG:** How do you avail yourself of that information if you are not engaged in a dialogue with those board members on those entities, which you own almost half of?

**Mr MATT KEAN:** As you know, the Independent Pricing and Regulatory Tribunal [IPART] looks at the reliability performance of those entities. That is something that I use to see whether or not they are meeting their obligations. According to the latest IPART report, Ausgrid and Endeavour are both meeting their obligations around reliability, as is Essential. Is that correct, Mr Cleland?

**Mr CLELAND:** Indeed it is.

**The Hon. MARK BUTTIGIEG:** We will go to that in a minute. Mr Cleland, I notice you have joined us—thank you very much. Are you able to avail us of how much in dividends, tax equivalents and interest Essential has paid to the Government over the last couple of financial years?

**Mr CLELAND:** I think your question, Mr Buttigieg, was related to the 2015 to 2019 regulatory period, the five-year period?

**The Hon. MARK BUTTIGIEG:** That would be good if we had that total, yes.

**Mr CLELAND:** I do not have the numbers in total but I can read them out by year, if that makes sense?

**The Hon. MARK BUTTIGIEG:** Sure, that would be great.

**Mr CLELAND:** In financial year [FY] 2015, 284; FY—

**The Hon. MARK BUTTIGIEG:** That is \$284 million?

**Mr CLELAND:** It was \$284 million, sorry. FY 2016, \$129 million; FY 2017, \$150 million; FY 2018, \$128 million; and FY 2019, \$166 million. I am happy to, either here or by way of a supplementary response, break those down into the component parts you have alluded to: tax, dividends and government guarantee fees.

#### Answer

Please see the answers to the earlier question taken on notice about Essential Energy's financial information provided above.

**The Hon. MARK BUTTIGIEG:** Sure. Minister, you can see from those figures—and we are talking about Essential Energy here; Ausgrid and Endeavour are obviously metropolitan distributors that were very profitable. You can see from those figures that that is a significant form of revenue that presumably—and you were not able to answer the question, which I find a little bit surprising notwithstanding the fact that you are not Treasurer, but you are an energy Minister—

**The Hon. ADAM SEARLE:** Well, not yet.

**The Hon. MARK BUTTIGIEG:** Not yet indeed. My information is that Ausgrid has not paid a dividend for a couple of years. I think the same would probably apply to Endeavour Energy. We are talking about billions of dollars in foregone revenue here, are we not?

**Mr MATT KEAN:** You are putting that to me.

**The Hon. MARK BUTTIGIEG:** I am putting it to you, yes.

**The Hon. BEN FRANKLIN:** But he is not the Treasurer.

**Mr MATT KEAN:** I am not the Treasurer.

**The Hon. MARK BUTTIGIEG:** But the logic that I have just put to you would stand to reason, would

it not?

**Mr MATT KEAN:** If you are putting to me that—

**The Hon. MARK BUTTIGIEG:** It is a simple case of mathematics, is it not?

**The Hon. SHAYNE MALLARD:** I know where you're going.

**Mr MATT KEAN:** If you are putting to me that Ausgrid, Endeavour and Essential contribute significant amounts of revenue to the Government then I accept that.

**The Hon. MARK BUTTIGIEG:** What I am saying, Minister, is that the foregone revenue has resulted in significant financial loss for the taxpayers of New South Wales. You are telling me that you are happy with the reliability of those entities. Is that your position?

**Mr MATT KEAN:** Well, I am not telling you that; that is what IPART is telling you.

**The Hon. MARK BUTTIGIEG:** Are you accepting prima facie that because IPART is satisfied with the reliability indexes you are too?

**Mr MATT KEAN:** I am suggesting that IPART looks at reliability and whether the network providers are meeting their obligations, and for the last financial year IPART said that Endeavour, Essential and Ausgrid are meeting their reliability obligations.

**The Hon. MARK BUTTIGIEG:** Let's go to that in a minute. I just want to go to the concomitant job losses in that sector over that last regulatory period. Do you have any idea of how many jobs are being lost out of that sector over the last regulatory period?

**Mr MATT KEAN:** In the whole sector or at a specific entity?

**The Hon. MARK BUTTIGIEG:** The distribution sector—that is Essential, Ausgrid, Endeavour and TransGrid to a lesser degree.

**Mr MATT KEAN:** I am happy to talk about Essential—

**The Hon. ADAM SEARLE:** Minister, to assist you, about 5,000 jobs have been taken out of the distribution system since 2015 when these entities were we say privatised; I think you say leased. We note that the job guarantees in the privatisation legislation expired in June of last year. Are you aware that Ausgrid is now telling its workforce and its unions that it intends to make another 500 people redundant between 2021 and 2023? Are you aware of that?

**Mr MATT KEAN:** Mr Searle, I think you showed me a slide last year suggesting that there were some job losses proposed at Ausgrid. To the extent that you have provided me with that document, yes, I am aware of it.

**The Hon. ADAM SEARLE:** Last year, Minister, we were discussing the terrible storms that had hit Sydney and Ausgrid was struggling to connect businesses and homes back to their power. I think at one stage Ausgrid was even asking for the army to come out and assist it, and I think I was asking you about whether this did not indicate that Ausgrid's cutting of jobs could have gone beyond cutting to the bone. Now Ausgrid is telling its workforce, we understand, that it intends to cut another 500 jobs between now and 2023. What impact do you think that is going to have on reliability, and do you find that acceptable?

**Mr MATT KEAN:** Obviously, I want to make sure that people in New South Wales have access to affordable and reliable energy. We use IPART to look at whether or not the networks are meeting their reliability obligations. But as to the question about job losses at Ausgrid, that is best directed to the shareholding Minister, who is Minister Perrotet.

**The Hon. ADAM SEARLE:** I understand that, but I think you indicated that as energy Minister you are at least partially responsible for the provision of energy services to businesses and homes. If homes and businesses cannot be swiftly reconnected after weather incidents that is obviously highly problematic, isn't it?

**Mr MATT KEAN:** We are very focused on making sure that people are connected—

**The Hon. ADAM SEARLE:** Let me ask you this question.

**Mr MATT KEAN:** Yes.

**The Hon. ADAM SEARLE:** Last year it was very clear Ausgrid was not prepared for the weather circumstances it faced. If the company is asking for the army to come out, obviously it has a problem. Now I am putting to you that it is going to cut another 500 jobs. Many of these roles will be from the Central Coast, Newcastle and the Hunter. How does that square with what I understand to be your Government's particular commitment about no job losses—no government job losses—in regional economies? What will you do to address that?

**Mr MATT KEAN:** The Government does not want to see any unnecessary job losses anywhere, let alone in regional economies, and particularly during this time of great economic upheaval. Again, with regard to Ausgrid and Endeavour, your questions are best directed to the shareholding Minister, who is—sorry, I was remiss to omit—not just the Treasurer; it is also Minister Tudehope.

**The Hon. ADAM SEARLE:** I understand that but ultimately, as the energy Minister, as the portfolio Minister, you are the public face of the Government when these things happen. What have you done in the last year to satisfy yourself that Ausgrid and the other distribution companies have the necessary workforce and skills available to them to ensure that homes and businesses can remain safely reconnected to their power as Ausgrid was not last year? What have you done in the last 12 months?

**Mr MATT KEAN:** As I said, we obviously want to make sure that the network businesses are meeting their reliability obligations, and that is determined by IPART.

**The Hon. MARK BUTTIGIEG:** Minister, can I take you up on that for a minute? There seems to be a bit of obfuscation here.

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

**The Hon. MARK BUTTIGIEG:** It is a follow-up question.

**The Hon. BEN FRANKLIN:** No, hang on. He was in the middle of answering Mr Searle's question. I am not trying to slop this down, but he was in the middle of a sentence.

**The CHAIR:** Order! But he did pause, and I think there is a little bit of—we have to have a little bit of flexibility.

**The Hon. ADAM SEARLE:** Can we not take up my time?

**The CHAIR:** Yes.

**Mr MATT KEAN:** I am happy to answer your question, Mr Searle and Mr Buttigieg. I just want to be very clear that the Government's position is that there will be no frontline employees affected by any reductions. Matters around industrial relations are matters for the shareholding Minister. Obviously I am concerned about affordability and reliability of electricity. To your point, Mr Searle, there are a number of ways that Ausgrid or Endeavour or Essential can ensure that they have enough staff at a period of peak demand. You know that they could engage contractors, for example. What I am focused on is making sure that the reliability objectives of the businesses are being met, and right now they are.

**The Hon. MARK BUTTIGIEG:** Minister, this is a bit of a contradiction, I think, and people from the public listening in to this would be a bit bemused. You have a shareholding Minister who presumably is responsible for the financial performance of these organisations in the interests of the dollars to the taxpayer. Then you have an energy Minister who is responsible, as you have just pointed out, for things like reliability and service provision, which are directly related to things like the provision of labour and the ability of people to respond to storms, as Mr Searle has pointed out. You are saying that, "It is not my responsibility; it is the Treasurer's. I don't know anything about that." That is what you just said, basically.

**Mr MATT KEAN:** Mr Buttigieg, that is not what I am saying at all. I am obviously very focused on ensuring that people have access to reliable power. There is a reason we have an independent regulator in New South Wales, the IPART, that independently reviews the network businesses to make sure that they are meeting their reliability obligations, and last year's IPART report said that businesses are doing exactly that. So we will keep a very close watching eye as to whether or not the businesses can meet their obligations, but these are industrial relations [IR] issues and they are best answered by the appropriate Ministers.

**The Hon. ADAM SEARLE:** I note that. But, as I said, Ausgrid is proposing to slash another 500 job; I think they shed 160 in January.

**The Hon. MARK BUTTIGIEG:** They already have 160 gone. On top of that, Minister, you have Endeavour telling us that there are another 500 to go, and Essential another 300 on top of that. So we are talking about another 1,300 over the next few years amongst those three distributors. Does this not concern your Government, who are going on about jobs in the regions and all the rest of it? There is no dialogue between the people on those boards and you, and you do not have anything to do with the Treasury; that is a shareholding—come on, seriously. What is your position on this? These are significant job losses which affect regional economies—and, indeed, metro economies—and you do not have a position?

**Mr MATT KEAN:** That is not what I said. I said that we are concerned about every job in New South Wales. We want to create more jobs, not less. We want to make sure that the energy companies have the staffing that they need to help keep the lights on and make sure that they do it in a way that does not drive up costs to

consumers. There are a number of things that we need to consider. The restructure, as I understand it—this is, again, a matter for the Treasurer and the finance Minister—looks at reductions in senior management roles and back-office roles. There are no frontline job losses. The Government is committed to no frontline job losses from the distributors, whether it be in the regions or the city.

**The Hon. MARK BUTTIGIEG:** Does that mean, Minister, that frontline jobs are more valuable than back-office support jobs, engineering jobs, design jobs, managerial jobs?

**Mr MATT KEAN:** No, I am just telling you what the Government's policy is.

**The Hon. MARK BUTTIGIEG:** What is the value in that statement? A job is a job, isn't it?

**Mr MATT KEAN:** No, you were concerned about whether or not the network businesses could meet their reliability obligations because of the loss of jobs. I am telling you that there will be no loss of those frontline staff that help make sure that the lines are rigged up and maintained, and they do incredibly important work. But it is not the whole picture to suggest that these matters are the sole indicator of reliability. You have to consider capital outlays. You have to consider the capital program. You have to consider where the jobs are, whether there are contractors used. There is a whole suite of measures to keep those reliability measures in place which we consider, and that is why we have a reliability standard which is enforced by an independent regulator.

**The Hon. ADAM SEARLE:** I understand all of that but, again, you have not really addressed the point. Each of these distributors have experienced significant job losses—5,000 gone from the sector in the last five or six years. We have put to you that another 1,300 are slated to be cut from both metro and regional economies. I have asked you, as Minister, given what happened last year—which we discussed here at estimates—what have you and your Government done in the intervening 12 months to make sure that these companies have the staffing and the skills necessary to ensure reliability and make sure that power is able to be swiftly and safely reconnected when there are interruptions or there are crises or other interruptions? I have not heard anything from you that indicates you have done anything in the last 12 months to address that.

**Mr MATT KEAN:** We have made a very strong commitment that there will be no loss of frontline workers that play a critical role in keeping the lights on. We have made a commitment around job losses in the bush and in the city. We, obviously, keep a close eye on capital programs, where the jobs are, where the need is greatest. We consider a range of things but we have a reliability standard in place. That is monitored by an independent body appropriately. Right now that independent body is telling us that the network businesses are meeting their reliability standards.

**The Hon. ADAM SEARLE:** Okay. Just on one thing, are you aware that Ausgrid has recently made redundant the full-time role in connection with its life support function and it has transferred that function now to a team, which I think is the business-to-business team, which has been slashed from eight people down to four people? Are you aware of that? Does that give you any concern about whether making sure that this function exercised by Ausgrid is being properly attended to?

**Mr MATT KEAN:** Obviously I would need to see the details of that and I would be concerned if that was the case.

**The Hon. ADAM SEARLE:** Can I ask you to take that on notice and investigate the matter?

**Mr MATT KEAN:** Absolutely. Absolutely.

#### Answer

I am advised by Ausgrid that improved controls and business continuity of service provisions for Life Support Customers have been implemented. The changes are designed to help Life Support Customers prepare for planned outages and to quickly obtain information during unplanned outages. Some of the improvements include a dedicated webpage and priority phone queue in the Life Support Customer contact centre for reporting electrical emergencies, power outages and hazards, a call ahead and SMS service for planned power interruptions, and welfare check phone calls during extended outages. Ausgrid continues to focus on improving the lived experiences of Life Support Customers. Ausgrid's customer feedback programs are highlighting an uplift in reputation and service outcomes with Life Support Customers.

**The Hon. MARK BUTTIGIEG:** Minister, in one of your previous answers you did point to reinvestment in capital and those sorts of things to improve reliability. Given that Ausgrid has not paid a dividend over the last couple of years, do you have any idea of where that money is going internally? The organisation has a choice, presumably, to pay a dividend to the other shareholders or reinvest back in the network. Do we have any idea of the proportions of money going back into the network vis-a-vis payouts to other shareholders?

**Mr MATT KEAN:** I think these questions are best directed to the shareholding Ministers.

**The Hon. MARK BUTTIGIEG:** Right. You can see the issue here. You are ostensibly still responsible for operational matters which are directly tied to reliability and outcomes for New South Wales electricity users, and yet the financial performance is a Treasury responsibility. You keep slating everything back to the Treasurer.

**Mr MATT KEAN:** No. You are just raising IR issues, which are the appropriate domain of the Treasurer and the finance Minister, the shareholding Ministers. With regard to reliability we obviously have an independent body that monitors that. We have a strong high standard and we have an independent body that monitors it. We are obviously very focused on the impact on cost to consumers. We obviously pay close attention to that. We have a number of systems and processes in place to make sure that we can meet our commitment to the public of providing cheap, affordable and reliable energy.

**The Hon. MARK BUTTIGIEG:** Let's go back to that in a minute, Minister. I just want to touch on something that my colleague raised here. As Minister for Energy, and you have the Environment portfolio too, there is a thing called the non-contestable market, the unregulated market. Have you done anything to stimulate in terms of policy jobs growth in that area to attenuate the loss of jobs which is happening in those areas? For example, there are renewable energy initiatives that these organisations could be getting involved with. I questioned Mr Cleland on this last year. As an energy Minister, what proactive things have you done to intervene in those industries to create jobs growth?

**Mr MATT KEAN:** So, I think Mr Cleland is best placed to answer that with regard to Essential. For example, we are looking at finding other opportunities for those workers that may not necessarily—or may be surplus to the network business and find areas within the business for them to be redeployed and continue to provide value for customers. Maybe Mr Cleland would like to expand on that.

**Mr CLELAND:** Sure. If I can make a couple of comments. Firstly, just in relation to the reliability of networks in relation to job cuts, I have in front of me here the system average interruption duration index [SAIDI] and system average interruption frequency index [SAIFI] for Essential over the last 15 years, which shows a circa 30 per cent improvement. So, Essential has improved its reliability through the period of time in which it has been reducing jobs.

**The Hon. MARK BUTTIGIEG:** Can I ask you, Mr Cleland—

**The CHAIR:** No. Sorry. That is it.

**The Hon. MARK BUTTIGIEG:** Okay. Sorry.

**The CHAIR:** We are eating into Mr Field's time.

**The Hon. MARK BUTTIGIEG:** I can pursue this later.

**The CHAIR:** Yes, later.

**Mr CLELAND:** Sorry. I was going to answer the contestable market question. In relation to the contestable market, yes, Essential Energy is looking at opportunities to increase the level of employment in the business and provide opportunities for those people who might otherwise be without a role as we become more efficient and operate at a lower level of cost. Part of that is potentially operating in the contestable market and we have been and are challenging our own internal view of what is contestable and what is not and doing more work internally and there are some specific examples.

**The Hon. MARK BUTTIGIEG:** That is good to hear. That is progress from last year but we will take that up.

**The CHAIR:** Order! Let's go to questions from the crossbench, please. Mr Field?

**Mr JUSTIN FIELD:** Thank you, Chair. Good morning, Minister.

**Mr MATT KEAN:** Mr Field.

**Mr JUSTIN FIELD:** Minister, what is your reaction to Forestry Corporation's decision to recommence logging in burnt forests without site-specific conditions issued by the EPA?

**Mr MATT KEAN:** Concern. Concern. You know, we have got a great challenge here. We have got whole communities where jobs are at stake but we have had unprecedented bushfires that have ripped through these areas. And, you know, if we log them aggressively, they may never recover. So, we have got to find a way through here. I am currently working with the Deputy Premier to do that.

**Mr JUSTIN FIELD:** Well, you are working with the Deputy Premier. You have got a Natural Resources Commission [NRC] review that has been agreed, as I understand it. Basically the day that it is announced that the

terms are agreed, the announcement from the Forestry Corporation is that they are going to go in anyway and log without site-specific conditions. A D9 dozer just turned up at the South Brooman forest this morning with three Forestry trucks. Ms Mackey, was the EPA aware that they were about to commence logging in sites that you have identified as high risk in your most recent update? Has Forestry warned you that this was about to start today?

**Ms MACKEY:** They have advised us that there are a range of sites that they are looking at and we have those sites. We have not been given information about them going in to commence harvesting or even any pre-harvesting activity in terms of returning to the integrated forestry operations approvals [IFOA]. What I would have to take on notice and check is whether or not the activity in a particular forest relates to an approval they may already have. I am looking at my colleague and I do not believe it is, but that would be the caveat.

**Answer**

Please refer to the answer given later in the hearing by Tracy Mackey, Chief Executive Officer, NSW Environment Protection Authority, on page 46 of the uncorrected transcript.

**Mr JUSTIN FIELD:** Minister, what is the value of your concern working with the Deputy Premier John Barilaro when he has thumbed his nose at the NRC review and he has decided to go in before that has even reported?

**Mr MATT KEAN:** Well, we have an independent environmental watchdog. I expect them to be a tough cop on the beat and we expect them to be out there doing their job. But, you know, Forestry Corp, if they have gone in to log these areas, just remember the tranches that they are logging have pre-approved plans. Those plans were approved before these bushfires ripped through. There is a gap in the IFOA.

**Mr JUSTIN FIELD:** They have still got a requirement to comply with the law, though.

**Mr MATT KEAN:** Yes.

**Mr JUSTIN FIELD:** And the fires have changed that. Ms Mackey, the EPA were very clear when they warned in September last year, when the Forestry Corporation first flagged that they might go in under the Coastal Integrated Forestry Operations Approval [CIFOA] and not subject to conditions. I am quoting from your letter now: "The EPA's position that a return to operating under the CIFOA alone in all areas of the State as you propose is not tenable at this time. The EPA is keen to ensure that the principles of ecologically sustainable forest management are applied, including maintaining a range of forest values for future and present generations. The EPA is concerned your proposal may not achieve these principles." Of course, those principles are also embedded in the Regional Forest Agreement [RFA], which is the legal instrument under which the CIFOA can actually function. The EPA has sent this warning. Forestry is going in—it looks like very, very soon. What are you going to do?

**Ms MACKEY:** So, we have taken action in the last week in terms of finding out more about what Forestry is planning and intending on doing. We have also over the last couple of months taken a significant position to be able to hold Forestry Corp to account and make sure they are compliant under the rule sets which we operate under. That includes being present in forests before, during and after harvesting occurs. We have also taken significant advice, both internally and across government as well as externally legally and from experts in this space, and we will continue to do that.

**Mr JUSTIN FIELD:** And I recognise Dr Andrew Smith's report, which is pretty clear that he does not think ecologically sustainable forests can occur without additional conditions. It sounds like you have got legal advice. Are you considering injuncting the Forestry Corporation from going back into these sites, particularly the high-risk sites you identified, without site-specific conditions?

**Ms MACKEY:** So we had—we continue to consider every day what the full continuum of regulatory actions are that we can take. Obviously, an injunction is one of the powers that exists under a range of legislation, including the Biodiversity Conservation Act, the Forestry Act, the Local Land Services Act and the Protection of the Environment Operations Act. However, in terms of that course of action we have been carefully considering the advice around those. For example, to proceed with an injunction we would have to do so consistent with the Premier's memorandum on litigation between government agencies, which means the process around that is quite different for us as a government agency. The basis upon which we would take that injunction needs to be a breach. It cannot be a pre-emptive step prior to logging commencing.

**Mr JUSTIN FIELD:** So we have to lose the trees first. We have to see the damage first before we can do something. We lost hundreds of hollow-bearing trees that we could not afford to against your rules last year before you issued a stop work order. Why do we have to see the damage occur first?

**Ms MACKEY:** For that particular process, as I have said, there is a full range of options that we have in terms of regulatory levers that we can use. For an injunction, the basis of the injunction must be a breach. That puts us in a different space for that particular option. As I have just indicated, we did take some action last week and we certainly have a range of other steps that we are working through following that action. That would be more of the ilk that you are referring to in terms of trying to prevent the harm to the environment before it occurs.

**Mr JUSTIN FIELD:** I do appreciate that you have been more active in the past 12 months and a lot of people in the community really appreciate that as well. I asked the Deputy Premier and his staff and officials last week in estimates about these questions. Mr Hansen from the Department of Primary Industries said:

If the EPA has evidence that there is a breach against the CIFOA I am sure that they will take action. That is their job.

That is when I was challenging him on why they would go in, given your warnings and advice. Then the Deputy Premier, Mr Barilaro, said:

The EPA is the regulator and, as to Mr Hansen's point, if it believes that we are in breach, it will take action.

Minister, Barra is just goading you to take legal action.

**Mr MATT KEAN:** The EPA is an independent authority. I have made it very clear to them that I want them to be a tough environmental cop on the beat; that is exactly what they are. We have just replaced the chair; the chair is now out of the ACCC who was working with—

**Mr JUSTIN FIELD:** The D9 dozer is in the forest right now, Minister.

**Mr MATT KEAN:** Hold on—

**Mr JUSTIN FIELD:** Chair appointments and the like are all well and good. This is happening now.

**Mr MATT KEAN:** Can I just make the point that we have given the EPA real teeth and they will act independently without fear or favour.

**The CHAIR:** Minister, I understand that the Kosciuszko National Park plan of management requires all additional telecommunication transmission lines to be located underground; that is of course in relation to Snowy 2.0. The plan of management also says that wherever possible the service will seek agreement on the rationalising, undergrounding or rerouting of high-impact lines or sections of lines. Why has the Government granted an exemption to Snowy Hydro for its transmission lines?

**Mr MATT KEAN:** Because we need to make sure that we get that cheap, reliable and clean energy into the system as soon as possible. We know that our existing coal-fired power stations are on the clock; they are old bits of equipment. Snowy 2.0 will provide 2,000 megawatts of clean dispatchable energy into the market. The Federal Government is spending \$5 billion on that and we need to make sure that it is able to connect into the grid. We have got to get the balance right between making sure that we get that energy into the system but we do it in a way where there is minimum impact on the park. We are currently looking at how best to minimise the cost whilst at the same time having the least amount of impact on the national park. We are working through that process at the moment.

**The CHAIR:** I understand that it is nine kilometres of two massive far transmission lines, and I think everybody understands what that looks like if it goes over national parks. Are you saying it is all about cost in terms of why an underground option was not considered?

**Mr MATT KEAN:** We will consider the underground options. I know that the National Parks Association of NSW [NPA] has put up a proposal to tunnel the transmission lines; we will consider that. But let me be very clear with the Committee, every dollar spent on this has to be paid by consumers so we need to find a way to have the minimum impact on consumer bills whilst at the same time doing what we can to protect the park. My position is that where there is no great material difference between tunnelling and using overhead cabling, then of course we should look at that. But if there is a huge economic cost to be borne by the community by getting this cheap, reliable and clean energy into the grid, then obviously that will be a major consideration.

**The CHAIR:** But I understand that Snowy Hydro has not factored underground cabling into their business case. How are you going to consider that as an option if they have not been required to document that as an alternative?

**Mr MATT KEAN:** I think that, as I said, we will look at the different options and I am very happy for Mr Hay maybe to talk to this, who has been working closely on the HumeLink proposal.

**The CHAIR:** You do know that the Snowy Hydro CEO, Paul Broad, said in 2018:

The project's design—

not the transmission lines—

is being done in a way that minimises its environmental footprint. This includes putting the majority of the physical structures such as tunnels and the powerstation deep underground.

The power station itself is going deep underground to minimise environmental impacts but nine kilometres of the transmission line is going to go above ground. I know that the environmental impacts on Kosciuszko National Park are very close to your heart. That is nine kilometres of massive clearings for two transmission lines. How are you going to assess the alternative if I understand that Snowy Hydro has not been asked to present that alternative?

**Mr MATT KEAN:** Mr Hay, would you like to maybe comment on whether or not we will assess the alternate?

**Mr HAY:** I think part of that is for the National Parks, and my colleague Mr Fleming can also talk about the process he runs through for that assessment. If that assessment results in a conclusion that it should be underground, that is a matter that has to go back to Snowy Hydro. If they have not assessed it, then they will have to look at it at that point.

**The CHAIR:** What are they assessing?

**Mr HAY:** Undergrounding.

**The CHAIR:** Who is putting that proposal forward? Sorry, I am a bit confused. Do you mean the National Parks Association, the NGO?

**Mr HAY:** The National Parks is the party who has to make the assessment in terms of what happens in the park, and so that process Mr Fleming can talk about in a little bit more detail. If that process culminates in a decision that the parts should be undergrounded, then that is a matter that goes back to Snowy Hydro.

**Mr FLEMING:** There are two separate processes; there is the plan of management process to which you referred earlier and there is the environmental assessment of the transmission line. The environmental assessment of the transmission line is actually a process led by Planning and the planning Minister makes an ultimate decision on that. As National Parks, we will obviously look at the draft EIS that has been provided and provide our assessment of the impacts. I understand it is about 100 hectares of land that would be cleared for that eight kilometres of transmission line; we will look closely at that. The requirements for the EIS—I mean they include a requirement that alternatives are considered and articulated, so that needs to be addressed through the planning process. The plan of management process—that is our process. That is not pre-empting any decision on the transmission line. That is giving effect to a government policy decision which was—I think, two or three years ago the legislation said—

**The CHAIR:** My question was not around the plan of management; that is fine. There is no option actually to consider in terms of the underground. You are actually just considering the overground at this stage, just to be clear.

**Mr FLEMING:** The draft EIS—again, it is a planning process, but it will require that alternatives be considered. It is up to the proponent as to how they consider them. It is then up to government to determine whether the proponent has adequately considered the alternatives.

**The CHAIR:** Is it possible in that situation for you as the Minister for Energy and Environment to direct Snowy Hydro to include the option for transmission cables to be underground as well as above?

**Mr MATT KEAN:** Yes.

**The CHAIR:** Would you consider doing that?

**Mr MATT KEAN:** Yes.

**The CHAIR:** Are you committing to doing that?

**Mr MATT KEAN:** The EIS is the appropriate place to consider different proposals and the impact that they will have on the environment and then we will have to consider that. That will be a matter for the planning Minister but obviously the EIS process is the right way to assess the different options available to us. But can I just also say that transmission lines through national parks are not unusual. There is a huge transmission line going through the Greater Blue Mountains World Heritage Area, taking electricity from the Mount Piper coal-fired power station into the electricity market; so this is not an unusual thing.

**The Hon. MARK PEARSON:** I am going to turn to the kangaroo management plan and the methodology used to approximate the numbers of animals. Can the Minister explain how the population estimate for red kangaroos in the Lower Darling increased by 265 per cent in one year between 2018-19 when scientific experts agree that the annual population growth rate for red kangaroos does not exceed 8 per cent to 10 per cent?

**Mr MATT KEAN:** Mr Pearson, as much as I have a great deal of affection for the red kangaroo and its population, I think Ms Molloy is best placed to answer that very specific and detailed question.

**Ms MOLLOY:** Thanks, Mr Pearson. Thank you, Minister. I cannot comment on the specific numbers for that zone that you are talking about, but I can talk in more general terms around the fact that we have a robust method for calculating the population for each of the—

**The Hon. MARK PEARSON:** Before you go on to a more broad answer, which I would give you limited time for, can you take that question on notice and answer it specifically?

**Ms MOLLOY:** I can, yes.

**The Hon. MARK PEARSON:** I will give you another example that will help you to embellish your more broad answer. In 2019 a total of 172 wallaroos were actually sighted during a survey in the Northern Tablelands. Then, in the application of several statistical models and techniques—including bootstrapping and the application of a correctional factor of 1.85—the population estimates for wallaroos suddenly become 117,290 from 172. Does it concern the Minister that the population estimate is 682 times greater than the actual wallaroos sighted?

**Ms MOLLOY:** Again, we have a number of zones where we manage the commercial kangaroo management industry, and regulate it from our perspective. I am not across the exact detail of each of the population estimates.

**The Hon. MARK PEARSON:** So you will take that question on notice?

**Mr MATT KEAN:** Yes.

**Ms MOLLOY:** I can certainly take the specifics on notice. However, more broadly, the commercial kangaroo industry has been operating in New South Wales for close on 45 years. It is safe to say that over that period, the methods for calculating the population have improved, scientifically based—

#### Answer

I am advised that regarding the Lower Darling Kangaroo Management Zone, the 2021 quota report lists the population of red kangaroos in the Lower Darling Kangaroo Management Zone as 307,619 in 2018 and 691,119 in 2019. This is an increase of 383,500 red kangaroos, or an increase of 124.7 per cent.

There are a number of reasons why the increase may be greater than the normal expected population growth rate. The increase is most likely due to migration of red kangaroos in response to better feed conditions. However, it is difficult to tell if there was substantial migration between NSW zones.

Regarding the Wallaroo populations in the Northern Tablelands, the 2019 Northern Tablelands Survey report by Stuart Cairns lists the raw counts for the Northern Tablelands surveys. It shows there were 208 wallaroos sighted in the Glen Innes zone, 172 wallaroos sighted in the Armidale zone and 128 wallaroos sighted in the Upper Hunter zone. This is a total of 508 wallaroos sighted for the survey.

As explained in the above report, the number of observed wallaroos is converted to a population estimate through the “analysis of distance sampling data...[this] first involves the estimation of the detection probability of clusters of animals within the covered region (the designated survey strip), then the estimation of the density of animals within the covered region given this detection probability and, finally, the estimation of the number of animals in the survey region given the density of animals in the covered region.”

**The Hon. MARK PEARSON:** How could it have improved if we had a report, which was published recently, that said that kangaroos are now starting to face very serious population numbers across New South Wales. If your methodology is working, why has there been this new report recently about the number of kangaroos?

**Ms MOLLOY:** We do annual surveys in the western zones, so we have that data over 45 years. And, as I said, the actual methodology improves based on scientific advice and we work very closely with our Department of Primary Industries [DPI] colleagues in doing those surveys. Each year the surveys are done. So yes, we did find that there was—

**The Hon. MARK PEARSON:** Ms Molloy, I am putting a question to you that your statement to say that they are improving is actually not true because the evidence that is building up is showing that the methodology is actually not working. The School of Biological Sciences at the University of Adelaide found that the use of drones outperforms human counting by up to 96 per cent. This technique is used in the United States, Kenya and South Africa. Is the Minister aware of the scientific advancements made globally in the methods for counting wild animal populations using imagery, drones and mathematical models that outperform the method we use to count kangaroos while hanging from a helicopter?

**Mr MATT KEAN:** Mr Pearson, I am not aware of those techniques used overseas but I am very happy to look at them. I think it would be appropriate if our department were to consider using those techniques to give you more accurate information on which we can all make decisions. So we will take that away and certainly look into it.

**The Hon. MARK PEARSON:** Would you consider it a very serious concern that if these inaccuracies are correct, we are killing thousands of animals where there has not been a scientifically robust reason to substantiate that the kangaroo management plan is legitimate and functional?

**Mr MATT KEAN:** If that is the case, yes, it would be a great concern. I am very happy to take that on board, Mr Pearson.

**The Hon. MARK PEARSON:** How much does it cost annually for your department to manage the kangaroo management program? Do you want to take that on notice?

**Mr MATT KEAN:** I am very happy to take that on notice, unless Ms Molloy wants to deal with it.

**Ms MOLLOY:** I will have to take that on notice. I do have that information and I can provide it.

**Answer**

I am advised that the kangaroo management program costs around \$1.4 million annually.

**The Hon. MARK PEARSON:** It appears that Dr Stuart Cairns commenced working as a paid consultant for your department from at least the late 1990s. Can you advise how much money your department has paid to Dr Stuart Cairns or G E & S C Cairns Consulting Pty Ltd over the past 30 years? I suppose you would want to take that on notice?

**Mr MATT KEAN:** I might have to take some time to quantify that, Mr Pearson.

**Answer**

I am advised:

Departmental accounting records show GE and SC Cairns Consulting Pty has been paid \$99,800 (excluding GST) for kangaroo management related work. The earliest payment was in 2015.

Payments prior to 2015 for Dr Stuart Cairns' work were made to the University of New England. Payments made for kangaroo work could not be distinguished from University of New England services for other work.

The Department of Planning, Industry and Environment currently has a five-year contract with Dr Cairns to analyse and report on the Tablelands Helicopter Surveys 2017–2021. This contract is for a total of \$103,400.

**The Hon. MARK PEARSON:** How much does each helicopter survey cost? Ms Molloy?

**Ms MOLLOY:** They are run by the Department of Primary Industries. I do not have that information to hand, so I can take that on notice.

**Answer**

I am advised that they cost approximately \$51,000 per kangaroo management zone.

**The Hon. MARK PEARSON:** But the department of the environment deploys helicopters to do the count, correct?

**Ms MOLLOY:** DPI do that on our behalf.

**The Hon. MARK PEARSON:** I see.

**Ms MOLLOY:** But I do not have the information about how much it costs per helicopter.

**The Hon. MARK PEARSON:** What is the procurement process for selecting consultants to conduct the surveys? Is it an open tender process?

**Ms MOLLOY:** I do not have that information to hand either.

**The Hon. MARK PEARSON:** Will you take it on notice?

**Mr MATT KEAN:** We can provide all that to you, no problem.

**Answer**

I am advised the Department of Planning, Industry and Environment does not use consultants or contractors to collect the data for kangaroo surveys.

Contractors are used to assist with design and analysis of surveys, and to assist with training and assessing survey counters.

All procurement is undertaken in accordance with Government procurement guidelines.

**Ms MOLLOY:** We can provide that. Yes, absolutely.

**The Hon. MARK PEARSON:** Thank you.

**The CHAIR:** It is just past 11.00 a.m. We will have a five-minute break and we will come back at 11.10 a.m.

**(Short adjournment)**

**The Hon. MARK BUTTIGIEG:** Minister, I understand that in 2017 Minister Upton promised an initiative whereby the dumping of asbestos would be provided at a much cheaper rate—if not free, I think—in consultation with councils. The idea of that was to remove the disincentive for illegal dumping. Can you update us on where that is at?

**Mr MATT KEAN:** I might hand over to Tracy Mackey to give you an update, if that is okay?

**The Hon. MARK BUTTIGIEG:** Sure.

**Ms MACKEY:** As the Minister announced as part of our asbestos strategy last year, we are committed to looking at whether or not we can find opportunities for householders to be able to benefit from having the levy waived around appropriately packaged and bonded asbestos. As the Minister has already indicated, 2020 was an unprecedented year on a number of fronts. One of the things that has been held up due to a repositioning of resources has been our ability to work with colleagues across government to find a way through on that one. But we are now quite close and we expect to be able to roll that out later this year.

**The Hon. MARK BUTTIGIEG:** Can you report generally on the progress of the 2019-21 Asbestos Waste Strategy?

**Ms MACKEY:** I can. I might get one of my colleagues, Ms Chang, who is in the other room. I understand that they are on a two-minute delay, so they do not actually know when we are asking them to come in. That is our problem that we are trying to manage.

**Mr MATT KEAN:** Do you want to ask any other questions while we get Ms Chang?

**The Hon. MARK BUTTIGIEG:** This goes to asbestos waste management in general, so the progress of the strategy is pretty important in terms of where we are at with it and how much of it has been implemented.

**Ms MACKEY:** I might start taking you through while she comes into the room, if that is helpful?

**The Hon. MARK BUTTIGIEG:** Sure.

**Ms MACKEY:** We are going through the asbestos strategy and where things are up to. Do you want to do it?

**Ms CHANG:** In terms of the asbestos strategy, we have made significant headway. There have been

some consultations with councils and the community recycling centres have been complete. In terms of the initiative on the household waiver—

**Ms MACKEY:** I just updated them on that.

**Ms CHANG:** Sorry, there is a bit of a lag. The work with local government and industry on the receipt and management of asbestos is ongoing, but we are making some good headway. Work with regional waste facilities to build capacity as well as expand capability with landfill staff to safely and lawfully manage large-scale asbestos is complete. In terms of making asbestos cheaper, we have supported industry by trialling alternative asbestos cover options at landfills and, in consultation with SafeWork NSW, ensured that environmental and work health and safety requirements at landfills are performance risk based and cost effective. That action is also complete.

**The Hon. MARK BUTTIGIEG:** Can I interrupt you there? Let us cut to the chase. In terms of the effectiveness of the strategy, do we have any statistics on the incidence of illegal dumping, whether or not it is steady or has decreased or increased? Do we know where that is at?

**Ms CHANG:** Yes, we do have performance metrics around illegal dumping. They are not specifically on asbestos. The New South Wales Government has a target of 30 per cent reduction in illegal dumping. My understanding is that it is tracking well against that, particularly in the commercial and the larger-scale types of illegal dumping.

**Ms MACKEY:** Can I just add that illegal dumping is one of those areas for us where when you look at the stats over a period of time, while we can compare year on year, what has actually happened is we are getting increasing uptake of people actually reporting. RID Online is something that we use across the State and you can see those that are using it—particularly local councils—starting to report, particularly around illegal dumping on kerbside as people depart premises and live in their local neighbourhoods. All of that has increased. Yes, we are on track in terms of looking like we will come close to the target, but also there has been an increase in reporting. So it is not really comparing across years at the moment.

**The Hon. MARK BUTTIGIEG:** Are you saying, Ms Mackey, that if you control for the increased frequency of reporting then you are actually doing much better than you otherwise would look?

**Ms MACKEY:** I think all illegal dumping is something that we are trying to stamp out and we have got a range of programs around that. We are going to keep striving for that as a challenge that we are working on. But we are conscious that, in terms of the raw reporting, it is important to understand the context that there is increased reporting in the space.

**The Hon. MARK BUTTIGIEG:** There has been quite a few incidents where new housing developments have been built on contaminated land. What steps has the department taken to ensure that that does not happen? I am talking about landscape supplies and things like that mixing in with turf underlay—all that sort of business that goes on. Anecdotally, you read the media reports and this seems to be an increasing problem, particularly on the outskirts of metropolitan Sydney. That would be the anecdotal evidence. Do you have hard evidence on whether you have got that under control? What steps have you taken?

**Ms MACKEY:** There are a range of areas in which the EPA engages in that space. First of all, if it is a major development then there is a process around that in terms of the planning process where the EPA will look at whether or not there are contaminants existing on the site. There is a process around that. We obviously also have arrangements, even before you get to the planning process, of regulating and identifying significant contaminated sites across the State. There is quite a bit of work that I can get one of my colleagues to talk you through around what we are doing in terms of those contaminated sites across the State. I think what you are asking about is fill that goes to particular sites.

**The Hon. MARK BUTTIGIEG:** Yes. Let me take you to a specific example. Minister, you might want to contribute here too. Did you get briefed on the incident out at Oran Park last year?

**Mr MATT KEAN:** Which specific incident are you referring to

**The Hon. MARK BUTTIGIEG:** There was an incident reported in The Guardian newspaper in which turf underlay was mixed in with asbestos-contaminated material. We had a development at Oran Park on the top of it. There was actually an admission by Greenfields, which was the developer out there, that this actually happened.

**Mr MATT KEAN:** I do not recall being specifically briefed on it, Mr Buttigieg.

**The Hon. MARK BUTTIGIEG:** Ms Mackey, do you have any information on that?

**Ms MACKEY:** I do not have information about that specific site, but I am happy throughout the day to get you some information and share it with the Committee.

**Mr MATT KEAN:** We are happy to give you whatever information you want on that.

**The Hon. MARK BUTTIGIEG:** *The Guardian* is not a frivolous or vexatious outlet; it is usually good reporting. I am a little bit surprised that you were not aware of this.

**Ms MACKEY:** I want to be really clear. I am not saying we were not aware of it. I am not able to take you through it. I have not got details around that specific site and around what action we took and so forth.

**The Hon. MARK BUTTIGIEG:** There was no investigation into it, or follow-up?

**Ms MACKEY:** I am sure there is, but I would need to get that. We deal with a large number of incidents across the State each and every day, so I just want to get you up-to-date information.

**Answer**

Please refer to the answer given later in the hearing by Tracy Mackey, Chief Executive Officer, NSW Environment Protection Authority, on page 46 of the uncorrected transcript.

**The Hon. MARK BUTTIGIEG:** Can I put this to you? What happened was that the developer of the site, Greenfields, admitted that there was illegal dumping at Oran Park and it was illegal asbestos processed by a company called Waratah, which was producing the turf underlay that was used under that development. This was happening for two to three months before it was finally discovered by whistleblower inspectors at Camden Council. It was reported to the EPA—your organisation, Minister, which you are responsible for—in November 2019. You know nothing about this?

**Mr MATT KEAN:** There are a number of issues that get raised. We have a weekly meeting with the EPA. They brief me on issues. Asbestos is obviously something that occurs from time to time. The EPA perform their functions and investigate this very serious substance when they are out and about in the normal course of their business. It does not necessarily mean that they brief me on every specific asbestos investigation.

**Ms MACKEY:** We are quite clear that we are an independent regulator. So in terms of operational matters, we are not going to the Minister's briefing and seeking advice around those. They are decisions that are made within the agency.

**The Hon. MARK BUTTIGIEG:** No, but the head of waste compliance, Greg Sheehy, confirmed that the EPA received the report from Camden Council.

**The Hon. CATHERINE CUSACK:** Point of order: These questions have already been taken on notice.

**The Hon. MARK BUTTIGIEG:** These are follow-up questions.

**The Hon. CATHERINE CUSACK:** I understand that. But in the interest of progressing the estimates hearing today, the matter has already been taken on notice and I ask that we move on.

**Ms CATE FAEHRMANN:** The Hon. Mark Buttigieg knows that he is asking different questions. I have heard the question. Even if they are similar, that is the way it goes. There is no point of order.

**The Hon. MARK BUTTIGIEG:** The questions clearly go to an issue in the reporting line in the department and the agency. You have a situation where if you are a resident out at Oran Park and there is an article about asbestos-contaminated material in the underlay that you have purchased homes on, and the EPA is in receipt of a report from Camden Council and, I might add, the developer, who reported it as well, and the Minister is not aware of it—I find that bizarre.

**The Hon. CATHERINE CUSACK:** Is that a question?

**The Hon. MARK BUTTIGIEG:** Do you find it bizarre, Minister?

**Mr MATT KEAN:** These are operational matters for the EPA. It is an independent environmental watchdog. I do not interfere with their investigations. When there are matters of material risk, they are elevated and brought to my attention. But I have every confidence the EPA has the right systems and processes in place to deal with matters around the illegal dumping of waste.

**Ms MACKEY:** Perhaps I can assist here. In the 2019-20 financial year, we had nearly 9,000 incidents and complaints that came to the agency. Hence why I am indicating that we can take you through the detail on that particular one—and I am happy to get it during the course of today; however, I do not have front of mind all want a little bit of time to access that information.

**The Hon. MARK BUTTIGIEG:** Minister, can you inform the Committee of your understanding of what the safe level of asbestos is deemed to be in New South Wales?

**Mr MATT KEAN:** I am not sure there is a safe level of asbestos. It is a prohibited product in New South Wales and we take any incidence of asbestos exposure very seriously. SafeWork NSW does a great job on the front line protecting workers and people who may have been exposed to it, and EPA has an important function to play in ensuring that matters of the illegal dumping of asbestos are fully investigated and people found responsible are held to account.

**The Hon. MARK BUTTIGIEG:** There is no safe level, you are quite correct. We have a situation here where Camden Council and the owner, Greenfields, has reported to the EPA. The EPA responds saying it was not big enough to warrant a clean-up notice. Do you have confidence in this agency, Minister? This is an emblematic incident, which I am sure most of Sydney was aware of, and there is no information here today for the Committee.

**Mr MATT KEAN:** The issues you have raised are very serious. I absolutely undertake to get a full briefing on it and make sure the proper process has been followed. If there are issues around the investigation we are happy to update you to make sure that you and those residents affected can have some comfort as to what has been done to keep them safe. But I do not have those details at hand right now. I will undertake to come back to you. Let me tell you, any issue, any matter of the illegal dumping of asbestos and the exposure of anyone, whether it be a worker or a resident, to asbestos is something that we should all take very seriously. We know the devastating impacts that asbestos has on health and it is not something I take lightly, Mr Buttigieg.

**Answer**

Please refer to the answer given later in the hearing by Tracy Mackey, Chief Executive Officer, NSW Environment Protection Authority, on page 46 of the uncorrected transcript.

**The Hon. MARK BUTTIGIEG:** Thank you.

**The Hon. ADAM SEARLE:** Minister, more than a year ago you met with residents at Williamtown, Fullerton Cove and Salt Ash, whose properties and lives were affected or polluted by PFAS. At the meeting they asked for the Government to help clean up the PFAS pollution that remains in the drains all around their properties, not within the RAAF base but the drains around their actual residential properties. What have you or your government done to clean up the PFAS pollution where people live?

**Mr MATT KEAN:** This is a terrible incident or issue in Williamtown. I did meet with residents at the request of the local MP, who has been a great advocate for that community. It is heartbreaking. Obviously, the defence site at Williamtown—they use PFAS that seeped into the waterways, the water table and impacted that whole community. The EPA is obviously on the front line looking at these issues. Would you mind if I hand over to Mr Beaman, who has been overseeing the compliance work there?

**The Hon. ADAM SEARLE:** It is a matter for you, Minister.

**Mr BEAMAN:** The role for the EPA in this is really to hold the party to account in this case, which is the Department of Defence in the historical operation of the Royal Australian Air Force [RAAF] base. I think our pursuing of Defence, and also by the community, dare I say, has played a very strong role here in bringing Defence to come to the party and to be accounted for it. They have developed up their PFAS management area plan and the ongoing monitoring plan that applies to the RAAF Base Williamtown.

What Defence have done as part of the PFAS area management plan is to remove the major hotspot areas on the base and have those encapsulated. They have constructed four large water treatment plants and the technical basis of doing that is to try to reduce the flux of material leaving the base, the amount of PFAS material on site leaving the base. As part of that program, the management plan is to have an ongoing monitoring program that will run for a number of years. Defence has published the results for the last 2019 season; 2020 is about to be published on the Defence website. That is how we are holding Defence to account for the clean up and remediation of that site.

**The Hon. ADAM SEARLE:** The residents whose properties have been impacted in this way have been living within the red lines drawn by the EPA, which have not changed since 2017. How long will the residents have to put up with this pollution? When will this process be completed?

**Mr BEAMAN:** It will be difficult to put an absolute time on it. We have been very clear, I think both ourselves and Defence in terms of this: It is going to be a long-term issue. It is an unusual geomorphology. The hydrology of that site is quite unusual, being at sea level. There is quite a degree of interconnectedness between the groundwater and the surface water at that site. That is why the primary work at the moment by Defence is to remove the hotspot areas, which they have done. What they have also done is built the four water treatment plants, so we are trying to control, or Defence is controlling, the amount of material, the level of contamination on the base. That is why it is called the ongoing monitoring program. We need to see what effect those have, and if they are not having the effect that we are after we will keep pursuing Defence to do more. What I can tell the Committee,

which is in the 2019 report, is we have seen a decrease in PFAS in the aquatic biota. We have seen between 2016 and 2020 a decrease in the level of PFAS. We are starting to see those measures work, but they will take time.

**The Hon. ADAM SEARLE:** The short answer is: There is no end point? You are doing something now, Defence is doing something, you hope it works, it may not, in which case we will have to try something different, but there is no end point in sight?

**Mr BEAMAN:** I think we are using the science to guide what the best approach is and that is where we have arrived at today with the PFAS area management plan. I would not say there is no end date to it; I am saying we are actually going to see how these things perform over time, because it is—

**The Hon. ADAM SEARLE:** But you cannot say it will be 2023, 2024, 2035?

**Mr BEAMAN:** It would be speculative to have any date put on it like that.

**The Hon. ADAM SEARLE:** Who is responsible for cleaning the drains around the properties? Is the State Government planning on conducting any work to clean the network of drains around the RAAF base?

**Mr BEAMAN:** Not that I am aware of. My understanding of the drains is that they are in different property ownerships through that area south of the base. I am unaware of any requirement to clean the drains. I think that is probably an ongoing discussion with the community that has gone on for a while about what the future management of those drains is.

**The Hon. ADAM SEARLE:** Just to be clear, is the EPA not responsible for protecting the population and the environment from pollution off the RAAF base?

**Mr BEAMAN:** And the way we have done that is actually the work that has been done by getting Defence to do human health and ecological risk assessments. That was a very large, technical piece of work and we have given the community advice about how they can minimise their exposure. We have started to see, as I just noted, that we are seeing a decrease of PFAS concentrations in the aquatic biota.

**Mr MATT KEAN:** Mr Searle, can I jump in and say, the EPA obviously has an important role to play in keeping the community safe on this. If there are issues around the drain then we will look into that after this about what can be done. Let me be very clear: The Federal Government should take responsibility for the mess that they caused there.

**The Hon. ADAM SEARLE:** This is my next question: How much has the State Government spent on cleaning up this mess?

**Mr MATT KEAN:** Too much.

**The Hon. ADAM SEARLE:** How much?

**Mr MATT KEAN:** We will take that on notice and come back to you, but the Commonwealth should foot the bill.

**The Hon. ADAM SEARLE:** And how much have you got out of the Federal Government?

**Mr MATT KEAN:** The Commonwealth should foot the bill.

**The Hon. ADAM SEARLE:** Are they footing the bill?

**Mr MATT KEAN:** No.

**The Hon. ADAM SEARLE:** How much have they paid?

**Mr MATT KEAN:** I will take that on notice, but they should be footing the bill.

#### Answer

I am advised that since 2016, the NSW Government has spent more than \$16 million in response to PFAS contamination.

The NSW Government has sought to recover its costs associated with managing contamination from Commonwealth sites from the Commonwealth Government. However, the Commonwealth Government has not paid those costs.

It is a matter for the Commonwealth Government to advise how much it has spent on PFAS investigation and remediation in NSW.

**The Hon. ADAM SEARLE:** It does not sound like they have paid very much, Minister.

**Mr MATT KEAN:** They caused the mess. They are the ones sitting on their hands. They should step in and help us help the community.

**The Hon. ADAM SEARLE:** Pick up the phone to Marise Payne.

**Mr MATT KEAN:** I will.

**The Hon. ADAM SEARLE:** Or Senator Reynolds, if she is back at work.

**The Hon. CATHERINE CUSACK:** I do not think it is Marise.

**The Hon. ADAM SEARLE:** I said, "or Senator Reynolds", if she is back; I do not think she is back. The point is, we do not know how much the State spent, but it is a lot and you will come back to us with that?

**Mr MATT KEAN:** We will take it on notice.

**The Hon. ADAM SEARLE:** And you do not know how much the Commonwealth has spent, if any? You would say nothing?

**Mr MATT KEAN:** The Commonwealth has spent money, but we will take it on notice and put it on the record.

**Answer**

It is a matter for the Commonwealth Government to advise how much it has spent on PFAS investigation and remediation in NSW.

**Mr DAVID SHOEBRIDGE:** Ms Mackey, many prosecutions are currently on foot by the EPA against the Forestry Corporation.

**Ms MACKEY:** We currently have five prosecutions relating to noncompliances in Wild Cattle Creek.

**Mr DAVID SHOEBRIDGE:** What is happening in relation to the illegal felling of the 100 hollow-bearing trees in South Brooman? Where are you up to in terms of commencing that prosecution?

**Ms MACKEY:** We are in the final stages of that investigation and then one of our authorised officers will make a decision about the appropriate regulatory action to take.

**Mr DAVID SHOEBRIDGE:** How many outstanding investigations are there of Forestry Corporation for their breaches of the IFOA and other forestry controls?

**Ms MACKEY:** I believe there are 14, but my colleague, Ms Dwyer, will be able to confirm because we have certainly taken action on Friday to finalise one, and again yesterday for another. I want to double-check that number for you.

**Mr DAVID SHOEBRIDGE:** Which was the one on Friday?

**Ms MACKEY:** The one on Friday—sorry, we have got a lot of them, so I want to give you the correct information. I might wait for Ms Dwyer.

**Answer**

Please refer to the answer given later in the hearing by Tracy Mackey, Chief Executive Officer, NSW Environment Protection Authority, on page 46 of the uncorrected transcript.

**Mr DAVID SHOEBRIDGE:** That is okay. We can have that updated when the information comes to hand. That there are a lot of them is a good summary, would you agree?

**Ms MACKEY:** There are certainly quite a few on foot.

**Mr DAVID SHOEBRIDGE:** That is because the Forestry Corporation seems to be routinely, repeatedly breaching the law in relation to its forestry operations. Would you agree?

**Ms MACKEY:** We have certainly seen that Forestry Corporation have certainly quite a significant number of noncompliances in their usual operations.

**Mr DAVID SHOEBRIDGE:** Since the bushfires you quite sensibly came up with a series of measures to limit the harvesting intensity—I will use "harvesting" instead of "logging" to be polite—of forests following

the bushfires because the forests need some time to breathe and regrow.

**Ms MACKEY:** Absolutely. So we had a tool to the IFOA around site-specific conditions. That was the rule set that we used to look in detail, site by site, at compartments.

**Mr DAVID SHOEBRIDGE:** And, Ms Mackey, they have been broadly supported. A clear set of well-crafted evidence-based measures that the EPA proposed for forestry operations. Would that be a fair summary of them?

**Ms MACKEY:** We certainly took quite significant advice from experts, both internally across government and also externally, to try to figure out what were the right set of conditions. Then we looked site by site around what was happening at that site, what the severity of the fire was. We have overlaid it with a risk assessment tool that has been done for every site as well.

**Mr DAVID SHOEBRIDGE:** And Forestry Corporation have now basically said that they are not going to be bound by that and they are going to proceed to harvest and log irrespective of those very sensible evidence-based measures that the EPA put forward. That is the status quo, isn't it?

**Ms MACKEY:** Yes. So, the way the site-specific condition work, Forestry Corp must request site-specific conditions from us about particular compartments and then we consider and put those conditions in place. At the moment—and it has been the case for some months—we have had no sites to be able to review and progress those site-specific conditions on.

**Mr DAVID SHOEBRIDGE:** They have stopped requesting. They have basically stuck their fingers in their ears and said, "We do not want to know. We do not want to know what the best evidence is to respond to the fires." That is what has happened, is it not?

**Ms MACKEY:** We have certainly ceased to receive any requests about site-specific conditions.

**Mr DAVID SHOEBRIDGE:** Given Forestry Corporation is a repeat and consistent offender, given that there are now the better part of 20 either ongoing prosecutions or outstanding investigations against Forestry Corporation, is the EPA considering injuncting Forestry Corporation because it knows they are going to go in and smash forests? Have you considered injuncting?

**Ms MACKEY:** We have. I might just go through—Mr Field asked a similar question.

**Mr DAVID SHOEBRIDGE:** I sent some correspondence to you yesterday.

**Ms MACKEY:** Sure. We have powers to injunct Forestry Corp. We could do that through the Biodiversity Conservation Act, we could do it to the Forestry Act—

**Mr DAVID SHOEBRIDGE:** I know this—that is why I sent you some correspondence—but what have you done?

**Ms MACKEY:** That particular process has to be consistent with the Premier's memorandum on litigation between government authorities, and there is quite a process to go through. Importantly, the basis upon which we could injunct under any of those pieces of legislation is that there must be a breach, so it cannot be pre-emptive in nature. As I was indicating to Mr Field earlier, we have been continuing to explore every day what our full set of actions are that we can take. We have absolutely considered an injunction as a part of those actions. We continue to take legal advice, we continue to look at the evidence, and that has not been the course of action. Instead, last week, we certainly took different action—if you might like—as a pre-emptive step, being aware that Forestry Corp is intending to return to operate under the IFOA.

**Mr DAVID SHOEBRIDGE:** Basically, Forestry Corporation treats EPA prosecutions as just part of the cost of doing business and are going to continue repeatedly breaching the law. Is that the status quo?

**Ms MACKEY:** You would have to ask Forestry Corp that.

**Mr DAVID SHOEBRIDGE:** You keep prosecuting, they keep paying the fines; forests get smashed and nothing changes in the mindset of Forestry Corporation. Is that what is happening now?

**Ms MACKEY:** I cannot purport to understand the mindset of Forestry Corporation. But what I can confirm is that we absolutely are very clear in our responsibilities in this space and we will continue to work and, as we have done over the past six to nine months, put additional resources in to have a readiness in our footing to be able to hold Forestry Corp to account.

**Mr DAVID SHOEBRIDGE:** Is there any other government agency or State-owned corporation that you have anything like the same number of prosecutions against?

**Ms MACKEY:** We certainly have another State-owned corporation where there is regularly non-compliance; however, they are quite a large licence and there is certainly a different position around—

**Mr DAVID SHOEBRIDGE:** Sydney Water?

**Ms MACKEY:** Yes.

**Mr DAVID SHOEBRIDGE:** So, apart from Sydney Water, Forestry Corporation is the big offender?

**Ms MACKEY:** I do not know about the big offender. We have a lot of regulated entities that we oversee and we have some repeat offenders—

**Mr DAVID SHOEBRIDGE:** What about a rogue, lawless operator? Do you agree to that characterisation?

**Ms MACKEY:** I will not be agreeing to that characterisation.

**Mr DAVID SHOEBRIDGE:** Thanks, Ms Mackey. Minister, was it always the plan for Snowy 2.0 to breach the law and to require a bunch of legal concessions under the plan of management to allow the clear-felling of national park for its connection to the grid? Was it always part of the business plan to breach the law?

**Mr MATT KEAN:** I cannot speak for Snowy 2.0. What I can say is that as the Minister responsible for the national park, obviously in order to the build transmission lines that is going to have to run through the park, I need to make sure that that dispatchable, reliable, clean energy is able to come into the grid, particularly before 2028. I also need to be conscious of the impact that the cost of building that transmission will have on taxpayers.

**Mr DAVID SHOEBRIDGE:** The Chair asked you some questions about this and your answer was, "Well, basically, we are going to get clean energy."

**Mr MATT KEAN:** My answer was that we need to balance the needs of the environment with the needs to get that energy into the grid.

**Mr DAVID SHOEBRIDGE:** But you are in the interesting position of being both the energy Minister and the environment Minister, so you have levers at both ends. Have you got a costing for undergrounding that nine kilometres of overhead transmission lines?

**Mr MATT KEAN:** No, I have seen some proposals. For example, the National Parks Association has put forward some costings. My view is that that should be assessed as part of the EIS and where it is not a materially different cost then absolutely that should be considered—

**Mr DAVID SHOEBRIDGE:** Well, who is doing the costing for the EIS? Are you requesting that Snowy 2.0 do the costing or are you going to rely upon the National Parks Association, their volunteers and their resources to do the costing?

**Mr MATT KEAN:** I am happy to hand that over to James Hay. I am happy to take that on notice with regard to the costing of the undergrounding proposal and how we would consider that.

**Mr DAVID SHOEBRIDGE:** Will you take on notice whether or not you will have your department, with its experts to hand and the resources you have, actually cost and get a clear indication of what the cost will be for undergrounding the lines?

**Mr MATT KEAN:** Yes.

#### Answer

I am advised by TransGrid that the capital cost to underground the Snowy 2.0 Connection Project based on the options outlined in the Environmental Impact Statement would be approximately ten to sixteen times more expensive than the overhead option. The Environmental Impact Statement for the project details the anticipated environmental impacts of each construction option, and it will be assessed according to the statutory requirements.

**Mr DAVID SHOEBRIDGE:** And in time for consideration in the EIS proposal?

**Mr MATT KEAN:** James, is that possible for us to do?

**Mr HAY:** The EIS, as you are aware, has just come out.

**Mr DAVID SHOEBRIDGE:** Correct.

**Mr HAY:** There will be submissions being prepared. We can look at that. We just have to understand the full extent of the costing. I do not know to the extent that snow itself has done any costings of it.

**Mr MATT KEAN:** I have just seen the letter from the NPA. I think it is reasonable to consider whether or not undergrounding would add to material cost to consumers, so we are happy to look at that and I am happy to report back to you.

**The Hon. MARK PEARSON:** I am going to go back to biomass because we are not satisfied with the answers you have given so far. Hunter Energy, now rebranded as Verdant Technologies Australia, has almost completed the process of converting the decommissioned Redbank coal-fired electricity plant into using 100 per cent biomass to produce both electricity and liquid nitrogen, with plans to restart the facility in 2021, making it one of the world's 10 biggest biomass power plants. Conservationists estimate this power station will require one million tonnes of biomass to be taken each year. How is it possible to have one million tonnes of biomass from timber mills every year in New South Wales?

**Mr MATT KEAN:** Sorry, did you ask that to me, Mr Pearson?

**The Hon. MARK PEARSON:** I will ask it to both of you—whoever might have the better answer.

**Mr MATT KEAN:** Firstly, the Hunter Energy Pty Ltd proposal to convert the Redbank Power Station to be fuelled by biomass, including timber waste and commercial residues, has requested—my understanding is that that is currently being considered before that. There has to be planning—

**The Hon. MARK PEARSON:** But the question is: Is it possible? We have just been given an assurance from Ms Mackey that there is no way that any of this biomass will be taken from forests but only from timber mills after logs have been taken and the so-called unwanted material comes off the logs. How is it possible for that to provide one million tonnes of biomass every year just to this one facility?

**Ms MACKEY:** So in terms of Redbank there is a process that is underway at the moment that is going through the planning process, but there has been no application to the EPA around amending or seeking a different licence for that Redbank site. There would absolutely be due consideration to the current regulatory arrangements, including any resource recovery orders that we have relating to biomass as a part of that development project. It was at the stage before at the moment. We have had no engagement with Redbank.

**The Hon. MARK PEARSON:** Are you saying that there is no company or facility in New South Wales that is using any biomass, or will use, or has had approval to use any biomass material that was taken from forests after they have been logged?

**Ms MACKEY:** As I indicated before, it is not as clear cut as taking from forests or not. There are detailed orders in place—

**The Hon. MARK PEARSON:** Will you take the question notice?

**Ms MACKEY:** We will take that question on notice and give you a fulsome response.

**Mr MATT KEAN:** Yes.

#### Answer

I am advised that the NSW Environment Protection Authority regulates three facilities authorised under the Protection of the Environment Operations (General) Regulation 2009 to utilise certain types of native vegetation or woody waste to generate electricity. The facilities are Condong Cogeneration Power Plant, Broadwater Cogeneration Power Plant and Harwood Sugar Mill and Refinery, as identified at [www.epa.nsw.gov.au/licensing/natforestbiofuel.htm](http://www.epa.nsw.gov.au/licensing/natforestbiofuel.htm).

**The Hon. MARK PEARSON:** Minister, what environmental protections are in place to regulate the taking of native forest remnants and to prevent harm to native animals as a result, if this is the case, where actually there are remnants taken from within the forest, in terms of protections in place for native animals and their habitat?

**Mr MATT KEAN:** I think those rules are set out in the IOFA. I am very happy to get Ms Mackey to speak to it.

**Ms MACKEY:** They are. There are certainly, as a part of the IOFA, rules and guidelines around what forestry can and cannot take. Certainly, particularly as we have seen in the past 12 months with the use of site-specific conditions, there have been even higher standards in terms of what is required in each of those forests. I think the response that we have taken on notice around what particular elements of biomass can be used in these spaces will be helpful in understanding that.

**The Hon. MARK PEARSON:** I will move on to dingoes. Exactly how many dingo wild dog 1080 baits were deployed in New South Wales across national parks during 2020?

**Mr MATT KEAN:** I do not have the exact number of 1080 baits that were deployed, you would be shocked to hear, but I am sure my very capable head of National Parks, Dr Atticus Fleming, will be right across that detail, to the nearest 10.

**The Hon. MARK PEARSON:** Thank you. Mr Fleming?

**Mr FLEMING:** I am going to disappoint you: I do not know the exact number of baits, but it was around 25,000 kilometres of aerial on park in the fire-affected area and another 4,000 or 5,000 kilometres on park, but outside the fire-affected area.

**The Hon. MARK PEARSON:** Who funds the dingo wild dog 1080 program?

**Mr FLEMING:** The New South Wales Government, and we received some additional funding from the Commonwealth Government.

**The Hon. MARK PEARSON:** How many hectares of public land in New South Wales was baited, ground or aerial, for dingoes and wild dog management?

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

#### Answer

I am advised that this answer relates to land declared under the *National Parks and Wildlife Act 1974*, which covers approximately 7.45 million hectares.

Questions relating to the extent of baiting on other public land should be referred to the Hon Adam Marshall MP, Minister for Agriculture and Western New South Wales.

Baiting for wild dogs on national park land is undertaken to meet the National Parks and Wildlife Service's obligations under the *Biosecurity Act 2015*.

Baiting is typically delivered in linear strips (by air or along roadsides) rather than on a block basis. For example, aerial baiting in national parks extended for 24,713 kilometres in 2020. Accordingly, it is difficult to provide a meaningful estimate of the number of hectares of national park that were baited. However, if we assume that the home range of a wild dog is 5000 hectares, a broad upper estimate of the effective area baited for wild dogs is around 50 per cent of the national park estate.

#### (Short adjournment)

**Mr JUSTIN FIELD:** Minister, have you read the ICAC report released last November on water management in new South Wales And systemic non-compliance with the Water Management Act 2000?

**Mr MATT KEAN:** I am familiar with the ICAC report.

**Mr JUSTIN FIELD:** Have you read it?

**Mr MATT KEAN:** Not in its entirety.

**Mr JUSTIN FIELD:** Have you had a briefing on it?

**Mr MATT KEAN:** I have had a high- level discussion about it, yes.

**Mr JUSTIN FIELD:** What is your understanding of how it relates to your portfolio area?

**Mr MATT KEAN:** My understanding is that there are serious issues raised in the ICAC report around non-compliance with the Act. A number of issues were identified around non-compliance and the department not meeting its obligations to prioritise environment and community over other interests.

**Mr JUSTIN FIELD:** Absolutely. Consistently Department of Primary Industries—Water consistently failed to apply the hierarchy of water needs as required under the Act. It requires basic landholder rights and the water source and dependent ecosystems to be prioritised over extraction. You have concurrence powers under the Act. Your predecessors had concurrence powers under the Act. What steps have you taken to ensure that you are applying your concurrence powers in a way that will enforce the requirements of the Act going forward?

**Mr MATT KEAN:** Firstly, with regard to the signing off on the water sharing plans, I take advice from the scientists in my department, headed up by Ms Molloy. I expect them to give me frank and fearless advice.

There was an instance, which I will share with the committee, whereby I asked why some information was not in line with my expectation, and the advice was, "Well, Minister, we've never had a Minister who was interested in these matters." Let me be very clear: The message I have sent to the department as the environment Minister is that I want frank and fearless advice before I sign off on any of these water sharing plans. We have signed off—

**Mr JUSTIN FIELD:** That is a pretty stunning statement about your predecessors, who actually had statutory obligations.

**The Hon. PENNY SHARPE:** It is not surprising that she failed to sign off on the land clearing.

**Mr MATT KEAN:** I am just telling the committee an anecdote. But the point is that I will be making decisions on the water sharing plans based on the advice from the scientists in my department. I have currently signed off between 15 and 20 of the water sharing plans. A number of water sharing plans are currently before the MDBA. We will wait until they come back with their feedback before I consider them. But I will be very clear—

**Mr JUSTIN FIELD:** Just on that did you, or you, Ms Molloy, were you aware that the Minister was going to send those to the MDBA before they had gone to you for concurrence? Let us be clear, they are the most controversial ones.

**Mr MATT KEAN:** Contentious ones. Yes

**Ms MOLLOY:** Yes.

**Mr JUSTIN FIELD:** Did you know they were going to be sent there?

**Ms MOLLOY:** Yes, we did know that.

**Mr JUSTIN FIELD:** Is that not an unusual process? Why would they go to the MDBA for accreditation before they even have statutory authority in New South Wales?

**Ms MOLLOY:** You could look at it in reverse as well. In terms of Minister Kean giving his concurrence to the water sharing plans it would be good if some advice came back from the Murray-Darling Basin Authority about the level of confidence they have in terms of accreditation of those plans. So you can look at it both ways: He can take their advice in terms of making his decision around concurrence. If you look at it in reverse he can take our advice in making a decision on concurrence, and he did so for some of the plans, as the Minister has just said. Subsequently all of the plans are with the Murray Darling Basin Authority. But the important thing to remember if there are any changes that are required to any of the plans that Minister Kean has given concurrence to, to date, they will have to come back to Minister Kean.

**Mr JUSTIN FIELD:** Could I suggest that is highly risky, given the Federal Minister can override MDBA advice, which puts you in a very challenging position if it has got Federal accreditation, but has not got your concurrence? I would suggest that is not a great approach. Have you got legal advice about how you will ensure going forward the principles of the Act will be complied with? Clearly, ICAC does not think that has happened in the past with your own processes.

**Mr MATT KEAN:** Moderate concern about the issues raised by ICAC. I am very sensitive about signing off on these—

**Mr JUSTIN FIELD:** Have you got legal advice on how you will make sure the principles of the Act are complied with?

**Mr MATT KEAN:** No, we have not, but I expect my department to provide frank and fearless advice that is in line with our legal obligations.

**Ms MOLLOY:** When we give that advice, Mr Field, we check to see that the water sharing plans meet the objects and the principles of the Water Management Act. If required, we do get specific advice on each of those plans. That is what we have done for each of the plans where we have provided advice to Minister Kean around his concurrence.

**Mr JUSTIN FIELD:** Thank you. I will come back to that this afternoon.

**The CHAIR:** Okay, great. We will move to questions from the Opposition, Mr Searle.

**The Hon. ADAM SEARLE:** Thank you, Madam Chair. Minister, in the budget papers—to deal with your area of responsibility—it talks about your Government committing to not just a 35 per cent reduction in carbon emissions by 2030, but also committing \$3.5 billion over the next 10 years to help achieve that. All that money is coming out of the Climate Change Fund, is it not? None of that money is additional government revenue.

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

**The Hon. ADAM SEARLE:** Okay.

**Mr MATT KEAN:** We can take that on notice. I will give you a breakdown of that \$3.5 billion, but the large majority is coming out of the Climate Change Fund. But I am happy to table a breakdown.

**The Hon. ADAM SEARLE:** Just on the Climate Change Fund, having a look at the most recent annual report, it appears the fund last year was underspent to the tune of about \$50 million. Can you explain why? Has the climate change crisis receded?

**Mr MATT KEAN:** I can get one of my officials. Maybe Dr Grimes could enlighten you as to the reason why that is the case.

**Dr GRIMES:** I do not have those figures right before me at the moment.

**The Hon. ADAM SEARLE:** I am happy for you to take it on notice and we can come back to you in the afternoon.

**Dr GRIMES:** We may have to take it on notice unless there is an officer here who can respond.

#### Answer

I am advised the NSW Government's Climate Change Fund will invest \$3.5 billion in programs over the 11 year period from 2019–20 to 2029–30. The Climate Change Fund's forecast commitments from 2019–20 to 2029–30 are provided in the table below.

The Climate Change Fund Annual Report 2019–20 details a \$50 million difference between actual revenue and actual expenditure in 2019–20. This difference is a result of changing program implementation schedules in the 2019–20 financial year. Some programs were affected by the extreme drought in 2019, which severely affected regional communities; the bushfires of summer 2019–20; and the COVID-19 pandemic (from the March 2020 quarter). The last two events resulted in the temporary suspension of some program activities.

**Table 1: Breakdown of the \$3.5 billion forecast expenditure from the Climate Change Fund**

	2019/20 (000s)*	2020/21 (000s)**	2021/22 (000s)**	2022/23 (000s)	2023/24 (000s)	2024/25 (000s)	2025/26 (000s)	2026/27 (000s)	2027/28 (000s)	2028/29 (000s)	2029/30 (000s)	Total 2019/30 (000s)
Total	229,030	393,793	377,644	287,065	293,321	292,339	303,960	318,706	320,631	321,939	341,768	3,480,216

#### Notes:

\*Actual expenditure in 2019–20

\*\* Forecast expenditure is higher in 2020–21 and 2021–22, due to carry forwards from previous years.

**The Hon. ADAM SEARLE:** That is fine. We can do that in the afternoon session without the Minister. We do not want to detain the Minister unduly.

**Mr MATT KEAN:** Can I suggest, though, that the Climate Change Fund should be best used on projects and things that will actually reduce emissions, which has not always been the case, Mr Searle. But I am trying to change that.

**The Hon. ADAM SEARLE:** Looking at the most recent annual report, you may well be right. I will come back to that. Minister, you mentioned earlier the electricity infrastructure legislation which Parliament passed, and, I think, the Renewable Energy Sector Board has now been established. What do you hope to be achieved under this legislation over the next two years? Where do you want to see this process of ramping up investment in renewables—with the manufacturing opportunities it provides the State. Where do you want to get to over the next couple of years?

**Mr MATT KEAN:** Well, I want to see the first round of contracts being issued this year to start the build of, or the construction of, the kit that we need.

**The Hon. ADAM SEARLE:** Just on that, what sort of quantum of energy were those contracts related to or is that still a work in progress?

**Mr MATT KEAN:** That is still being worked out. We are still going through the process of working out and setting up the consumer trustee function. I do not think I need to keep it a secret or anything, but we are considering making the Australian Energy Market Operator [AEMO]—a consumer trustee—perform that function. We are working through a lot of detail, but my vision is very clear. We have got a runway. We know that our first power station scheduled to close after Liddell is Vales Point. That is around 2028. The construction of the new generation, long-duration storage and the transmission is not a short-term thing; there is a lot of delivery risk around it. My vision is to start the build of that infrastructure as soon as possible, and for that infrastructure to be built where it is cost competitive using local labour and local manufacturing.

**The Hon. ADAM SEARLE:** What steps will you take to make sure that the local manufacturing sector is not left out of all of this? I know we have got the board. I know a lot of commitments were made during parliamentary debate on the legislation, but what practical steps are you going to put in place to make sure that New South Wales manufacturers get a fair share of the action here?

**Mr MATT KEAN:** We will work closely with the advisory board to consider their recommendations. That includes members of industry, members of trade unions and consumer advocates. We will consider their advice. There are a number of things that we can practically do. For example, prohibiting the dumping of steel into New South Wales will ensure that New South Wales manufacturers can provide steel in a cost competitive way. That is one practical example, which I have discussed with interested parties. Again, we will take advice from the body. I appreciate the engagement that we have had with yourself and union groups and employer representatives. I am reasonably confident we are going to get a great outcome here.

**The Hon. ADAM SEARLE:** Obviously, one of the things the State can do, in a practical way, to contribute to this is how it procures its own electricity supply. That is one way. In questions asked previously of your predecessors, and I think other Ministers, around the State's own electricity procurement contracts there were two contracts—one with Origin Energy and one with ERM Power—that provided the State government's electricity supply. Those contracts were due to run out in 2020, but I see in reasonably recent media reports that they have been extended to 2022. What is the currency of the State's current energy contracts?

**Mr MATT KEAN:** I might get Mr Hay to speak to that, but we have recently put the government load out to tender. That tender was completed—

**The Hon. ADAM SEARLE:** In early 2020?

**Mr HAY:** The tender has been in the advanced stages. It is imminent. It is very commercially sensitive right now, but there has been an extensive amount of work to bring together that load to leverage it for—to see what can be achieved by leveraging that load.

**The Hon. ADAM SEARLE:** I note that the existing or previous contracts only provided that some 6 per cent of the energy that would power our schools and hospitals and other State government institutions—only 6 per cent—came from renewable sources. Is it your plan to significantly increase that in the new contracts?

**Mr MATT KEAN:** As I said, we have put the government load out to make sure that we get the best deal for New South Wales taxpayers and electricity users, and that includes not only prices but also what infrastructure we could get built or could be underwritten by the awarding of the government contract.

**Mr HAY:** The focus of that procurement has been on dispatchable supply at this point in time. But it dovetails into the road map as it is a long-term contract and it will support the demand through the road map.

**Mr MATT KEAN:** We fought a good battle internally in government to make sure that we got a great outcome in line with the road map and in the best interests of New South Wales electricity users.

**The Hon. ADAM SEARLE:** What do you mean by "dispatchability" as your main objective?

**Mr HAY:** Looking at how firm supply of timing is to ensure that—test the market to see what is available in advance of the closure of Liddell Power Station, or around the timing of that. It was to test how that could be used to ensure that that helped address that issue.

**The Hon. ADAM SEARLE:** About how much energy will the contracts be for? I see media reports that say it is 1.8 terabytes.

**Mr HAY:** I could not give you the exact number.

**The Hon. ADAM SEARLE:** I am happy for you to take it on notice.

**Mr MATT KEAN:** We can give it to you on notice, yes.

Answer

I am advised that the Request for Proposal documentation detailed that the load for 2018–19 was 1,642,814 megawatt-hours under contract 777, and 139,887.7 megawatt-hours under contract 776.

This is a total of 1,782,701.7 megawatt-hours (or 1.78 terawatt-hours) for 2018–19.

**The Hon. ADAM SEARLE:** Just on the issue of Liddell, did I hear the Federal Minister for Energy and Emissions Reduction on radio this morning talking about the Federal Government underwriting a new gas-fired power station in New South Wales? If so, what conversations has he had with you or your Government and where is all of that up to?

**Mr MATT KEAN:** I did not tune in to 2BG this morning, clearly, but the Federal Government has made a—

**The Hon. PENNY SHARPE:** That would be a first.

**Mr MATT KEAN:** You would be happy to know I listen to a diverse range of radio programs in the morning. My friend—

**The Hon. SHAYNE MALLARD:** You do not read *The Guardian*, though.

**Mr MATT KEAN:** Sometimes. I have a broad reading pile.

**The Hon. ADAM SEARLE:** To the question, Minister.

**Mr MATT KEAN:** If the Federal Minister wishes to invest in New South Wales and build new capacity, we welcome that. But we are not relying on that to meet the gap foreshadowed by AEMO. We have got a number of things that we are doing, including building interconnectors. We have got the Emerging Energy Program and we have already seen, as a result of announcing the road map, we have got two gigawatts of new batteries proposed to be built in New South Wales. So we are not relying on the commitment by the Commonwealth, but we are not going to stand in the way of it by the same token.

**The Hon. ADAM SEARLE:** Right. Okay. So in relation to that, what conversations have you had with the Federal Government about their plans? Obviously New South Wales has got its own road map for the next 10, 20 years and there is quite a clear direction. But the Commonwealth has a great capacity for disruption in this situation. Are these sorts of interventions helpful?

**Mr MATT KEAN:** Again, the commitment to build 1,000 megawatts of gas in New South Wales was one made by the Commonwealth. That is their energy policy. We have got a very good energy policy here in New South Wales, and if the Commonwealth wants to step in and add to that then they are very welcome. We welcome their investment. But we have a very clear plan to keep the lights on, drive prices down and set out State up for success as the world moves to decarbonise, and I stand by that.

**The Hon. ADAM SEARLE:** The *Net Zero Plan Stage 1: 2020-2030* I think went up on the department website in March last year, without much fanfare and not long after estimates—I did not see any press release from you announcing its arrival. Nevertheless, in it are a number of commitments made by your Government, one of which is a \$450 million Emissions Intensity Reduction Program. Is that program funded or to be found in any way in this year's budget or is this something to come in the future?

**Mr MATT KEAN:** I am happy to take that on notice, but the funding for that program has come from a number of sources, which include the NSW Climate Change Fund [CCF] and the memorandum of understanding [MOU] with the Commonwealth. I do not believe—Mr Hay?

#### Answer

The Emissions Intensity Reduction Program is part of the \$750 million Net Zero Industry and Innovation Program which was announced on 8 March 2021. The program is funded by the Climate Change Fund and the Environmental Trust.

The bulk of the program's expenditure will be from 2022–23 to 2029–30.

**Mr HAY:** There is no Consolidated Fund. It is in the CCF and the MOU with the Commonwealth.

**The Hon. ADAM SEARLE:** Has the fund commenced?

**Mr HAY:** We are working on developing the programs that will be part of that. There has been active

work with the Commonwealth and ourselves to deliver the programs that will form part of that over the next decade.

**The Hon. ADAM SEARLE:** It is being worked out but it is not operational yet, correct?

**Mr HAY:** For the large part, yes.

**The Hon. ADAM SEARLE:** Again, I think apart from Commonwealth money you said the money will be sourced from the NSW Climate Change Fund?

**Mr HAY:** Yes.

**The Hon. ADAM SEARLE:** There will be no additional commitment by the Government to funding this over and above that?

**Mr MATT KEAN:** Not at this stage, but anything is possible. This Government is very committed to hitting net zero emissions by 2050 and our 35 per cent target by 2030.

**The Hon. ADAM SEARLE:** In that same document there is a commitment to developing a Primary Industries Productivity and Abatement Program. Is that operational yet or is that still in the planning stages?

**Mr MATT KEAN:** Not yet. We will be announcing these programs very shortly and we will outline the detail as to how we will achieve those abatement objectives.

**The Hon. ADAM SEARLE:** What is the intention of that program?

**Mr MATT KEAN:** The intention of the program would be to help farmers—the agricultural sector—reduce their emissions in a way that does not impact on their costs, that creates jobs, that sees investment going to the bush and that reduces our emissions.

**The Hon. ADAM SEARLE:** Again, there is a further commitment in that same document to creating a Clean Technology Program. Has this program been designed and implemented or is it also in the planning stages?

**Mr MATT KEAN:** We are pretty close to an announcement on all of these things. But that program will be about looking at different technologies that could help us achieve our abatement objectives. I want to make sure that not only is New South Wales solving the problems for our State but also we can hopefully export our intellectual property to the rest of the world and create new industries and opportunities as a result of these investments.

**The Hon. ADAM SEARLE:** In the NSW Climate Change Fund spending I see that the funding of the Empowering Homes program has actually decreased from the previous year. Why would that be the case? Is the policy not working out? Have you run aground?

**Mr MATT KEAN:** As you would well know, the policy was one I inherited from my predecessor.

**The Hon. ADAM SEARLE:** Correct.

**Mr MATT KEAN:** I had some advice when I became the Minister that there were some challenges around the implementation of that policy, being financial challenges and also some safety issues. That is why we scaled back the program and ran it as a pilot to iron out the issues that were identified. The learnings from that program will then inform how we take it forward, and obviously funding will be attached to that program once we work out how to take it forward.

**The Hon. ADAM SEARLE:** I saw the funding for it in the 2018-19 year was \$3.8 million; it is now down to less than \$2½ million. Is that because the uptake is not there—that people are not interested in these loan situations?

**Mr MATT KEAN:** The uptake is not there because we are doing a pilot program, but we will take—

**The Hon. ADAM SEARLE:** No, last year you said it was moving out of the pilot into substantial implementation. That was not so?

**Mr MATT KEAN:** No, the pilot has gone for longer than we anticipated because we need to get this very complex policy right. Mr Hay, would you like to add anything?

**Mr HAY:** We have expanded the geographical area of the pilot to include some more local government areas. It is about understanding the economics of this. Obviously battery technology continues to drop in price, so we expect the uptake to be a kind of flat curve that steepens. What we are just trying to narrow in the budget is the anticipated uptake, what we are learning from being in the field and the implementation of this program as it develops.

**The Hon. ADAM SEARLE:** That sounds like it is a program in trouble, Minister.

**Mr MATT KEAN:** It is a program being reviewed, Mr Searle.

**The Hon. ADAM SEARLE:** That is code for "in deep, deep trouble". Minister, in relation to the demand response trial that was being conducted with the Australian Renewable Energy Agency [ARENA] I see the investment in that from the NSW Climate Change Fund has actually also decreased. Can you just tell us why that is the case?

**Mr MATT KEAN:** I might just hand over to Mr Hay on that one.

**Mr HAY:** I do not have the answer to that. Can I take that on notice, please?

**Mr MATT KEAN:** We will take it on notice.

**Answer**

I am advised that the Demand Response Program conducted with ARENA has fixed payments that are based on participants achieving project milestones. Total program payments fluctuate over the years as per the contracts with each participant and the progress of each project.

**The Hon. ADAM SEARLE:** Again, I am happy for you to take it on notice. We can have a debate about what should be funded out of the NSW Climate Change Fund but it appears that the amount that was spent on bushfire management seems also to have been decreased out of the fund. Are you able to address the reasons for that?

**Mr MATT KEAN:** We have increased spending on bushfire management from other sources. As you know, NSW National Parks and Wildlife Service has increased the number of firefighters to help us—

**The Hon. PENNY SHARPE:** Is that now no longer being provided out of the NSW Climate Change Fund? A lot of that extra firefighting capacity was funded out of the NSW Climate Change Fund previously.

**Mr MATT KEAN:** I will just confirm that with Dr Grimes: Do you know where the 125 firefighters has come from?

**Mr HAY:** They were funded separately.

**Mr MATT KEAN:** I think that came out of the Consolidated Fund.

**Dr GRIMES:** Those were funded separately out of the Consolidated Fund, as I understand it.

**The Hon. PENNY SHARPE:** We can come back to it this afternoon. That is not right.

**The Hon. ADAM SEARLE:** We still do not have any answer as to why the fund has been underspent in the 2019-20 year. Can you give the Committee any assurance how the spending out the fund is going for the current year, that is, from last year to this year?

**Mr MATT KEAN:** We can provide you with details as to how the spending is tracking.

**The Hon. ADAM SEARLE:** Do you have any sense of it?

**Dr GRIMES:** With a fund of this sort with different programs there is always the potential for programs to slip and money to be carried over from one year to the next. We have seen that in the past and we may see it again this year.

**The Hon. ADAM SEARLE:** Do you anticipate then that there would be another underspend? I only ask because going back a few years there were a number of years in which your Government failed to spend the moneys out of the fund in a timely way and then there was a sort of an attempt to catch up. Obviously I am just interested to get some sort of visibility as to how the fund is tracking in the current year.

**Dr GRIMES:** With some of these programs there is the potential for some money to have to be carried over into future years. But we are not to the end of the year yet so it is not possible to give a precise number.

**The Hon. ADAM SEARLE:** No, but just—

**Dr GRIMES:** But that is always possible, yes.

**The Hon. ADAM SEARLE:** But do you have a sense of how it is going?

**Dr GRIMES:** I have a sense that there could be some requirement to carry over money from this year into future years, but it is too early to say what the final amount will be until we get to June, obviously.

**The Hon. ADAM SEARLE:** Minister, the Government has spent a number of moneys on various rebate

schemes to help low-income households and the like. Are you able to indicate whether in the current budget year those rebates or the amount of them have been increased or whether they remain the same as they have been for the past few years?

**Mr MATT KEAN:** I think they remain analogous with previous years, but I am happy for Mr Hay to provide further detail.

**Mr HAY:** The main change has been in the Energy Accounts Payment Assistance [EAPA] scheme, which is the emergency assistance for builders, and that has had an increase in funding for the year of I think \$45 million, from memory.

**The Hon. ADAM SEARLE:** Is that an increase in the program funding or is that an increase in the value of the vouchers themselves?

**Mr HAY:** That is an increase in the program funding, and then in the administration of the scheme we have looked at the needs of those applying. There are some interesting details on the number of applicants. We have had a number of applicants and we worked through that as part of the immediate response with COVID. It became a very intense program of work for us and—

**The Hon. ADAM SEARLE:** Just on the EAPA program, I think it was the case that last year St Vincent de Paul withdrew as a service provider. Have they now returned to providing services here?

**Mr HAY:** At this stage, we have been continuing to do the work, but it is not—we are just continuing to do the work and using other service providers at the moment.

**Mr MATT KEAN:** We can take that on notice as to whether St Vincent de Paul is back in the program or if it is going to get back into the program. I think it is still being negotiated.

**Answer**

I am advised that in June 2020, St Vincent de Paul advised the NSW Government that its members voted to withdraw as an Energy Accounts Payment Assistance (EAPA) provider. No notice of intention to re-apply as an EAPA provider has been received.

**The Hon. ADAM SEARLE:** The issue is: Has its withdrawal led to a problem in terms of delivery for a number of vulnerable communities?

**Mr HAY:** No, the department—immediately in COVID we had to gear up very quickly, but we geared up very, very quickly and have been maintaining that service.

**The Hon. ADAM SEARLE:** Minister, in relation to the other rebate schemes that the Government operates in the energy space, I think your indication earlier was that the quantum of investment has remained the same. Do we then take it that the amount of those rebates has also remained static and it has not increased in line with inflation?

**Mr MATT KEAN:** I am not sure that is the case. I will check that and come back to you.

**Answer**

I am advised that the NSW Government increased the values for the Low Income Household Rebate, Gas Rebate, Family Energy Rebate, Medical Energy Rebate and Life Support Rebate by approximately 20 per cent in September 2017.

The Seniors Energy Rebate commenced operation in July 2019, with a rebate value set at a rate to reflect cost of living pressures for self-funded retirees.

According to the Australian Energy Market Commission (AEMC), residential energy bills are forecast to decrease by 2.2 per cent over the period 2019–20 to 2022–23, offsetting any Consumer Price Index impact to residential energy bills

**The Hon. ADAM SEARLE:** There are a lot of public servants in the room. I am not being critical, but does anybody have an answer to this?

**Dr GRIMES:** Mr Lewis should be available to provide assistance.

**Mr HAY:** Yes, Mr Lewis is here this afternoon.

**Dr GRIMES:** He will be with us very shortly and he will be able to answer all of your questions.

**The Hon. ADAM SEARLE:** That is okay. Minister, are you able to tell us about how many households in New South Wales have in the last year received the benefit of the various rebate schemes that you operate in the energy space?

**Mr MATT KEAN:** I will take that on notice. The number of households that have received the benefit—Andrew has now joined us.

**Mr LEWIS:** Sorry, Mr Searle. Would you mind repeating the question for me, please?

**The Hon. ADAM SEARLE:** How many New South Wales households have received the benefit of the various energy rebate schemes?

**Mr LEWIS:** There are just over 1.1 million households in New South Wales that receive the benefit of the New South Wales energy rebates. In relation to your previous question regarding the EAPA scheme, I can advise that associated with COVID there was a \$25 million boost to that program for this financial year, and the amount of assistance that could be provided increased from a maximum of \$300 per transaction to a maximum of \$400 per transaction. There are up to two transactions per year and that is per fuel type, so a maximum of \$1,600 is available under the EAPA scheme at the moment.

**Mr MATT KEAN:** Well done.

**The Hon. ADAM SEARLE:** In relation to the other energy rebates, have the quantum of those also been increased either by program line or by the quantum of the rebate for the recipients?

**Mr LEWIS:** The quantum of the other rebate programs has not changed since the last government boost, which increased them by 20 per cent in—from memory it was 2017, but I am happy to take that on notice and come back to you as to the exact timing of that increase.

**Answer**

I am advised that in September 2017, the NSW Government increased the values for the Low Income Household Rebate, Gas Rebate, Family Energy Rebate, Medical Energy Rebate and Life Support Rebate by approximately 20 per cent.

**The CHAIR:** Thank you. We will now go to questions from the crossbench.

**Ms ABIGAIL BOYD:** Good afternoon; we are no longer in the morning. I want to talk about air pollution first. Are you aware of major population centres in the Hunter region recently frequently failing to meet the national standards for particulate pollution?

**Mr MATT KEAN:** I am aware that air pollution is a particular area of concern in the Hunter, particularly due to the mining industry and the coal-fired power stations up there, yes.

**Ms ABIGAIL BOYD:** There were 10 air pollution alerts just in January of this year, including in Muswellbrook, Singleton south, Camberwell and Jerrys Plains, as you say, coming from those open-cut mines. Are you aware of the growing body of evidence showing the dangers of breathing in particulates of that kind?

**Mr MATT KEAN:** Yes, I am very aware of the impact that PM2.5 and smaller can have on human health. It is obviously something of great concern.

**Ms ABIGAIL BOYD:** Has your Government done any research that you know of in relation to quantifying the costs of that health burden on nearby communities?

**Mr MATT KEAN:** I am not aware of whether the Government has specifically looked at the cost to those communities. I know that the Department of Health has obviously done a lot of work around particulate matter and knocks and socks, and things like that, but I am very happy to take your question on notice and come back to you.

**Answer**

I am advised the NSW Government has supported several research projects and partnerships that look to quantify the costs of PM2.5 pollution on the community, starting with the 2005 publication *Health Costs of Air Pollution in the Greater Sydney Metropolitan Region*. Research is also delivered through our partnership with the National Health and Medical Research Council's Centre of Research Excellence CAR – the Centre for Air pollution, energy and health Research.

The NSW Government also works through the National Environment Protection Council to commission health impact assessments and costs through the various reviews of the National Environmental Protection (Ambient Air Quality) Measure.

**Ms ABIGAIL BOYD:** Thank you. That would be good if you could. The EPA published their issues paper for review of the load-based licensing scheme back in 2016, and we have not seen anything since. Where is that at and will you be doing anything this year to try to rein in some of that air pollution in the Hunter?

**Mr MATT KEAN:** Yes, the Government has been working on a clean air strategy for some time.

**The Hon. PENNY SHARPE:** Since 2016, Minister.

**Mr MATT KEAN:** Thank you, Ms Sharpe. I will be looking to release that publicly very shortly.

**Ms ABIGAIL BOYD:** Can you give us an estimated time for when that will be released?

**The Hon. PENNY SHARPE:** Imminent?

**Mr MATT KEAN:** Imminent.

**Ms ABIGAIL BOYD:** Imminent is not very helpful. Is there a more specific time frame? Is it something that you are intending to do in the first half of this year?

**Mr MATT KEAN:** We have a lot of announcements in the pipeline, Ms Boyd, including plastics, including koala targets for Ms Sharpe.

**The CHAIR:** Wow. I thought that had already been done.

**Mr MATT KEAN:** Clean air strategy is an important body of work that will be announced once we work out our media schedule, I think.

**Ms ABIGAIL BOYD:** Sorry, once you work out your?

**The Hon. PENNY SHARPE:** His media schedule.

**Mr MATT KEAN:** The timing to make the media announcements.

**Ms ABIGAIL BOYD:** The media schedule. With respect, Minister, in the meantime—

**Mr MATT KEAN:** It is ready to go. We just need to make the announcement.

**Ms ABIGAIL BOYD:** Okay. Will you be regulating coal companies—in particular, the open-cut coal mines—through the load-based licensing scheme in a way that will reduce pollution in the Hunter?

**Mr MATT KEAN:** We use a number of levers to try to reduce air pollution and pollution in general. I am happy for the EPA to talk about those measures that they currently use, but you will just have to wait for our clean air strategy, Ms Boyd.

**Ms ABIGAIL BOYD:** Could I just question you, though? You say that you are using a number of strategies to reduce that air pollution, and yet you accept that the air pollution levels in the Hunter are unacceptable. I assume you think it is unacceptable for them to have 10 air pollution alerts just in January?

**Mr MATT KEAN:** I want to see clean air throughout New South Wales, and I do not want to see particular communities adversely impacted. Obviously we have a strong regulatory regime around those coal-fired power stations and a whole range of industries. The EPA is the independent environmental cop on the beat, and I expect them to enforce those standards without fear or favour.

**Ms ABIGAIL BOYD:** I will pick up on this questions this afternoon. Would you say that your regulatory regime is currently working in relation to air pollution?

**Mr MATT KEAN:** There are always things that can be done better and new technology means that there are continual improvements. We are always looking to see how we can deliver better outcomes for our environment while supporting industry and making sure people are safe.

**Ms ABIGAIL BOYD:** Presumably this was why the clean air strategy was embarked upon back in 2016. What do you say to the communities around the Hunter that are reading all of these reports now about increase in asthma, stroke and cancers coming from this air pollution and wondering where the clean air strategy is and when they are going to be protected from the air pollution?

**Mr MATT KEAN:** I say we have got one of the toughest environmental cops on the beat that is out there enforcing very high standards. I also say that we take these issues of air pollution very seriously. That is why we are always looking to improve how we do things and we will be announcing exactly how we will do that very shortly.

**Ms ABIGAIL BOYD:** Would you agree, though, that the regulator can only enforce the regulation that is currently in play? If that regulation is insufficient, then the regulator cannot really be relied upon to ensure better quality air.

**Mr MATT KEAN:** I want to see high standards and I want to see those standards enforced. That has been my position since I have been the environment Minister.

**Ms ABIGAIL BOYD:** Is there a reluctance to put the true costs of the coal and coal-fired power industries back on to those industries instead of on to the people of New South Wales?

**Mr MATT KEAN:** I do not think anyone has done more to ensure clean air as a result of electricity generation than me, Ms Boyd.

**Ms ABIGAIL BOYD:** I am not devaluing the work you have done.

**Mr MATT KEAN:** I have just passed laws that will see those existing coal-fired power stations replaced at the end of their lives with cleaner forms of generation. That will benefit not only those communities in the Hunter but people right across New South Wales. It will also set our industry up in this State to get access to the cheapest and most reliable electricity in the world. I thank you for your support in helping us achieve that. It was significant, but let me tell you—the biggest thing that we can do to provide clean air in the Hunter is making sure that when those coal-fired power stations come to the end of their technical lives, they are replaced with cleaner technologies, and that is what we have done.

**Ms ABIGAIL BOYD:** And I agree. That is a great step forward and no-one is taking that away from you. But if I stand on Gosford Station with my children, there will be coal trucks coming through that are uncovered. That does not cost a huge amount of money, to be covered to give that extra protection and yet we do not see regulations requiring that. Why is that?

**Mr MATT KEAN:** We want to see the toughest standards and those tough standards enforced. We will be having a bit more to say about that very soon, Ms Boyd.

**Ms ABIGAIL BOYD:** Thank you.

**The CHAIR:** Okay. We will move to questions from Mr Pearson.

**The Hon. MARK PEARSON:** Thank you, Minister—the last round. Dr Steven McLeod is listed on the Kangaroo Management Advisory Panel as being a representative of the Australian Wildlife Management Society [AWMS], but I cannot find any record of him as a board member, staff member or life member of that society. Can the Minister explain in what capacity he represents the society? In my research it appears that he is a senior research scientist with the New South Wales DPI and works on kangaroo population counts. Can you explain why he is listed as representing the AWMS and not DPI on the panel?

**Mr MATT KEAN:** I think that is a question best directed to the Minister responsible for DPI, Minister Marshall.

**The Hon. MARK PEARSON:** But this is a Minister on the Kangaroo Management Advisory Panel, which relates to you, your portfolio.

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

**Answer**

I am advised that Dr Steven McLeod is a member of the Australian Wildlife Management Society (AWMS) and was formally nominated to represent the society at the AWMS board meeting on 3 February 2016. Dr McLeod's current appointment is his second term on the Kangaroo Management Advisory Panel.

The NSW Department of Primary Industries has a separate representative on the panel.

**The Hon. MARK PEARSON:** Okay. The Kangaroo Management Advisory Panel member, Jason Wilson, is listed as representing the western region and Aboriginal communities with no further information. On the website LinkedIn, he is listed as an Aboriginal community partnership facilitator of the Department of Environment, Climate Change and Water. Can the Minister confirm that Jason Wilson is actually a departmental employee?

**Mr MATT KEAN:** Ms Molloy?

**Ms MOLLOY:** I cannot confirm details at the moment but I can certainly get back to you, hopefully this afternoon, about the members of that committee.

**The Hon. MARK PEARSON:** Okay. Take that on notice. Thank you.

**Ms MOLLOY:** It does have members from the community, members from industry and members from other agencies, but I can get you the details before this afternoon.

**The Hon. MARK PEARSON:** In my experience collaborating with Aboriginal communities, my understanding that a person employed by a government department could not also be acting as a representative of Aboriginal communities. Can the Minister explain in what capacity he represents the Aboriginal communities and how he has been also chosen and endorsed by these communities?

**Mr MATT KEAN:** We can absolutely do that but I am going to have to take that on notice.

#### Answer

I am advised:

The Department of Planning, Industry and Environment considers Aboriginal community representation on the Kangaroo Management Advisory Panel (KMAP) to be very important.

During the formation and initial appointment of the current KMAP in early 2016, a nomination for an Aboriginal community representative from Aboriginal communities was not received.

Mr Jason Wilson is a well-known Aboriginal person in western NSW with links to communities and is also an experienced community partnerships facilitator.

Mr Wilson was approached directly to consider representing Aboriginal communities of the western region on the panel. A nomination was received, and Mr Wilson was subsequently formally appointed to the KMAP.

Mr Wilson is employed by the Commonwealth Government but represents Aboriginal communities on the KMAP in a private capacity.

**Ms MOLLOY:** Yes, me too.

**The Hon. MARK PEARSON:** Okay. Records from the kangaroo management plan indicates that the average number of kangaroos killed between 1997 and 2007 by commercial shooters constituted only 69 per cent of the allowable quota. From 2008 to 2018, the average take plunged to a mere 22 per cent of the quota. Does the Minister agree that this is a cause for concern in that the likely cause is a lack of kangaroos than a lack of industry willingness to kill them, particularly when the Kangaroo Industry Association [KIA] president recently boasted that the kangaroo industry employs 3,000 people across Australia?

**Mr MATT KEAN:** Mr Pearson, I just do not know the area well enough to be able to explain why the number of kangaroos that have been culled has decreased. I am very happy to get some advice from the department and provide you with that. I know it is an issue of great concern to you so we will come back to you.

#### Answer

I am advised that the long-term kangaroo population survey history shows that populations fluctuate with seasonal conditions. Population estimates for the last five years are among the highest since the surveys began in the mid-1970s. These trends are documented in the published quota reports on the Department of Planning, Industry and Environment–Environment, Energy and Science Group’s website.

The decline in annual harvest as a proportion of population is a function of export markets and domestic demand rather than any long-term kangaroo population decrease.

**Ms MOLLOY:** I can add a bit more if you would like?

**The CHAIR:** Okay. Sorry. Mr Field, it is over to you for the last three minutes.

**Mr JUSTIN FIELD:** Thanks very much, Chair. Minister, did you know that the International Union for the Conservation of Nature [IUCN] has raised concerns about the removal of sanctuary protections at Montague Island? It is just one of two IUCN and green listed sites in New South Wales. What does it say about your tenure as environment Minister that one of these green listed sites is now considered potentially at risk for that listing because of this threat to permanently remove those sanctuary protections?

**Mr MATT KEAN:** I am very proud of my tenure as the environment Minister. I think that we have not had a stronger environment Minister in the duration of this Government, and I am very proud of that.

**The Hon. ADAM SEARLE:** That is a low base.

**The Hon. PENNY SHARPE:** It is a low bar.

**Mr MATT KEAN:** Well, I will claim it nonetheless. The reality is that these marine sanctuary zones are important. They have an important function to play and I would like to see them expanded rather than reduced.

**Mr JUSTIN FIELD:** But that is not the direction your Government is taking at the moment.

**Mr MATT KEAN:** I want to—

**Mr JUSTIN FIELD:** In fact, five have been removed.

**Mr MATT KEAN:** I am very concerned about what you have just raised around Montague Island. I will absolutely take that away and I will come back with a solution. But—

#### Answer

Montague Island Nature Reserve remains an exceptional example of protected area management. The proposed sanctuary zones changes relate to the management of waters surrounding Montague Island. These waters, that are part of Batemans Marine Park, are not part of the Green Listed protected area.

The NSW Government is aware there are concerns about the potential impacts on Montague Island's seabird and seal populations.

I am advised that the National Parks and Wildlife Service has a long-term research and monitoring program that can detect any observable population changes and support necessary adaptive management responses if required.

When making decisions about marine park management, the *Marine Estate Management Act 2014* requires that the Minister for Agriculture and Western New South Wales and I consider:

- the State-wide threat and risk assessment
- the Marine Estate Management Strategy
- Marine Estate Management Authority advice
- any submissions made during the statutory two-month public exhibition of changes.

**Mr JUSTIN FIELD:** Have you been down to Montague Island?

**Mr MATT KEAN:** No, I have not.

**Mr JUSTIN FIELD:** Not since you have become Minister?

**Mr MATT KEAN:** No, I have not.

**Mr JUSTIN FIELD:** I would encourage you to do that. Five sanctuaries have been removed, at least temporarily. Essentially, an amnesty from prosecution has been granted. At what point are we going to see a resolution on the marine park issue down there because it is going to set the framework for the remapping—the new management plans for all of our marine parks.

**Mr MATT KEAN:** Look, I believe in our marine parks. I want to see more of them. That issue that you have raised is of concern and I will address it.

**Mr JUSTIN FIELD:** Minister, before you made a comment about biomass playing a role in reducing our emissions, reaching net zero. I just want to get clear: Have you done any assessment or has your department done any assessment about the role that our State forest on private land, allowing them to regrow and become mature, the role that they could play in actually helping us to reach more quickly net zero emissions and really

doing the heavy lifting for the rest of the economy? It seems like you are ignoring that great opportunity, not just ecologically but from a climate and carbon perspective to allow our forests to grow and mature?

**Mr MATT KEAN:** We think there are great opportunities to generate revenue streams on public land and on private land as a result of sequestration. We are currently doing some work on how we can maximise those opportunities right here in New South Wales, as I said on public land as well as on private land. That is part of the work we are doing in line with our net zero strategy.

**Mr JUSTIN FIELD:** But has anyone in government actually put a figure on how much contribution—for instance, putting some of these forests that are now so contentious for logging into protection, not in national parks necessarily but in recreational reserves, allowing them to grow and the significant contribution that could make to meeting our carbon targets and taking the pressure off agriculture and other industries to decarbonise more quickly?

**Mr MATT KEAN:** I acknowledge what you are saying but we want to get the balance right between those State forests and, you know, the economic opportunities they provide local communities and also taking advantage of these emerging opportunities that come with the net zero world and also protecting our environment. So we are working through that process.

**Mr JUSTIN FIELD:** But you have not put a specific figure on it. What process is that? When will we see it?

**Mr MATT KEAN:** We have not quantified that but we have got our Net Zero Plan. We have got funding set aside to look at a range of things that will set New South Wales up for success in that low carbon global economy, of which taking advantage of sequestration opportunities is one of them.

**The CHAIR:** Minister, I just wanted to raise the issue of Mount Canobolas State Conservation Area. I understand an application for it to be considered as an area of outstanding biodiversity value has been with you and your department since May 2018. Are you aware of that application?

**Mr MATT KEAN:** I am not aware of an application to make it an area of outstanding biodiversity but I am very happy for my department to speak to that.

**The CHAIR:** I have heard that it has gone through much within the department and is potentially resting somewhere on the Minister's desk, so to speak.

**Ms DUMAZEL:** We have received a request in relation to Mount Canobolas becoming an area of outstanding biodiversity value [AOBV]. At the moment we have developed some guidelines that are still going through a process and, once those guidelines are approved, what we will do is we will consider the Mount Canobolas proposal through those guidelines.

**The CHAIR:** Yes, okay. Great. I understand in July 2008-19 the Canobolas Conservation Alliance was advised that that was in fact the case; that their application for the State conservation area [SCA] to be considered an area of outstanding biodiversity value was in fact going to be used as a test case for program design; that in fact they were potentially notified of this last September as well; that the guidelines have been peer reviewed and tested; and that the nomination was used as a further test of the guidelines. So this has been under consideration of the department for a long time. Minister, what is the delay? I understand you have visited with Orange City Council recently and visited the area yourself. Are you aware of the significant ecological asset that is the State conservation area of Mount Canobolas?

**Mr MATT KEAN:** Yes. I am aware there are some really important environmental assets there, particularly rare orchids, et cetera. As to the application to make it an area of outstanding biodiversity, I just was not aware that that was before my department. But I am sure that when the appropriate work has been done a brief will come up for me to consider.

**The CHAIR:** Okay. I understand that the Canobolas Conservation Alliance has made a number of repeated requests to meet with you about this. They are extremely passionate about it. They have done a lot of work. Their submission is excellent but those repeated requests have been refused, possibly not by yourself. But would you care to meet with the alliance so that they can talk to you about the special place?

**Mr MATT KEAN:** I am very happy to. I thank them for the work that they have done. Community groups like that right around the State or environmentally aware and conscious groups right around the State play such an important role. I try to meet as many stakeholders as possible. No disrespect to them, but considering you have raised it I am very happy to take on that meeting.

**The CHAIR:** I understand. Thank you very much for that; that is wonderful. On the Local Land Services Bill, we know that the Premier has requested that the planning Minister and a representative of The Nationals, maybe the agriculture Minister, meet to discuss that new protection policy. What input are you having as the environment Minister into the Government's new koala protection policy?

**Mr MATT KEAN:** Obviously I have input through the formal channels, so the Cabinet process, but after last year's—

**The CHAIR:** Debacle.

**Mr MATT KEAN:** —situation, I will be playing a very proactive role in trying to find common ground with my colleagues, because we have got to move forward on this. Obviously there is a legitimate argument around private property rights, but there is also a very important argument around the preservation of our most loved and iconic animal, the koala, and other native species. We have got to try to find a way forward here and I am working to that end.

**The CHAIR:** Even though you have said the protection of private property rights, you do acknowledge though that there does need to be afforded some protection of koala habitat on private land which, of course, the Local Land Services Bill was trying to get around and not have that happen. Are you making sure that koala habitat will be protected on private land outside of existing koala plans of management?

**Mr MATT KEAN:** I will do whatever it takes to try to find a way forward that brings the whole community together on this issue. That will look like negotiating a suite of measures, whether they be regulatory or financial incentives or increasing areas of national park. I will do whatever it takes to try to find a sensible way forward here and build a consensus to get the outcome that we all care about regardless of our politics, and that is protecting our koalas and in some instances some of us care about doubling the population as well.

**The CHAIR:** Thank you for mentioning incentives because I did just want to check in on how that is going. I think I saw an announcement that you made with the Deputy Premier at the end of last year. What is being done to try to ensure that landholders can be paid at least as much to protect koala habitat as opposed to clearing it, for example, under Private Native Forestry [PNF]? We have heard from a lot of landholders that that is quite an attractive incentive to log their land for forestry. They are not getting nearly enough to protect koala habitat. It is really up to the Government to try to throw more money towards this. Is that going to happen?

**Mr MATT KEAN:** We want to use the Biodiversity Conservation Trust to incentivise landowners to protect koala habitat on their land. Right now I can see why people would use PNF codes, for example, as opposed to using the Biodiversity Conservation Trust. We have just shaken up the trust a bit. We have made some new appointments and we were talking about how they could better focus their finances and energies on protecting koala habitat. That is a work in progress.

**The CHAIR:** Is the new protection policy going to have some kind of an element that is around incentivising farmers at the same time as it comes out?

**Mr MATT KEAN:** Yes.

**The CHAIR:** It is?

**Mr MATT KEAN:** Yes. We were trying to work through these issues with the Deputy Premier and the Minister for Agriculture as well as the planning Minister. Nothing is off the table, but clearly there are some stakeholders for which regulation of private land is a bridge too far and I totally understand that. We need to respect farmers' property rights; I get that. There are other mechanisms which we can use to try to protect those property rights and deliver on our environmental objectives.

**The CHAIR:** Thank you very much for attending this hearing, Minister Kean.

**Mr MATT KEAN:** Could I correct the record on two matters? Would that be okay?

**The CHAIR:** Sure. You can keep going if you want to.

**Mr MATT KEAN:** Firstly, I gave an answer to Mr Searle with regard to the road map where I said that we will be looking to conduct the first auctions this year. I would just like to clarify that remark and say that the first auction will be looking to run next year. I just want to correct the record on that. The other thing that I would like to do is clarify a comment that I gave to Mr Buttigieg. I said the Government's policy is for no further job losses in network businesses. That was actually inaccurate. Rather, Ausgrid is not having any further job losses, and I note that Endeavour is currently negotiating with the union and there may still be frontline job losses. I just wanted to correct that and say that the Government's policy was for no further job losses; I was referring to Ausgrid's policy.

**The Hon. MARK BUTTIGIEG:** Ausgrid's policy is not to have any job losses.

**Mr MATT KEAN:** No frontline job losses was Ausgrid's policy.

**The CHAIR:** We are going to leave it there I am afraid. Thank you very much for attending, Minister Kean.

**(The Minister withdrew.)**

**The CHAIR:** Welcome back. **(Luncheon adjournment)**

**Ms MACKEY:** I had a couple of things to update from this morning.

**The CHAIR:** Yes, Ms Mackey.

**Ms MACKEY:** On the question about South Brooman and whether or not there was activity there occurring for forestry, I can advise that D9 graders are being used on that site. However, they are for roadworks, not harvest operations. They have been engaged by Shoalhaven City Council as part of their works to improve the bridge at Toomboolomobah Creek. That is being funded by the Commonwealth, so it is not actually forestry activity. We have checked and confirmed that. Also, with regard to the questions of how many forestry investigations we had on foot, I can advise that there are 16. The sites at which those investigations had been finalised on Friday and yesterday are Ballengarra State Forest. The second one relates to three forests, which are Bodalla, Mogo and Boyne. I could also provide information about Oran Park, if that is helpful.

**The CHAIR:** Yes.

**Ms MACKEY:** We received a complaint around Oran Park on 5 November. We consequently met with council and the developer, as well as doing a joint meeting with council, the developer and the landscaping operator who was the subject of the inquiry—or the complaint. The landscaping operator was unclear that they were beyond their licence arrangements around the stockpiles that were on site. The developer had agreed to the stockpiles on site. They immediately moved to clean up the site, and that was done under the supervision of a third-party environmental consultant. It was confirmed that it was all completed by late 2020. I can also confirm that there was no waste spread onto the residential blocks and there is no waste under houses at that development site. Given the scale and nature of that particular incident, it was not escalated at any point because there was an immediate response and that was dealt with by our operations team.

**The CHAIR:** Okay, thanks very much. Is that the last of that? Mr Betts?

**Mr BETTS:** Could I suggest that—through you, Chair—if there are other witnesses who have things that they can close out from this morning it might be of assistance to the Committee.

**The CHAIR:** Is everyone happy for that? Sure.

**The Hon. PENNY SHARPE:** Yes, let's do them now.

**The Hon. BEN FRANKLIN:** Hear, hear! Great idea.

**Mr BETTS:** Okay, cool.

**Mr FLEMING:** Can I provide some additional—Mr Pearson asked two questions that I took on notice. The first was the number of baits—

**The CHAIR:** If you would just like to wait, he is going to be 10 minutes late. Would you wait until he is back, if that is okay, Mr Fleming? Thank you.

**Mr FLEMING:** I will wait until he is back.

**Ms MOLLOY:** And mine were questions that Mr Pearson asked as well around kangaroo management. Do you want me to wait too?

**The CHAIR:** Yes, we will do it before the next round.

**Ms MOLLOY:** Alright.

**Mr BETTS:** Okay. Thanks, Chair.

**The Hon. PENNY SHARPE:** This question is for Ms Mackey. How many compliance officers does the Environment Protection Authority have?

**Ms MACKEY:** We have 327 authorised officers, if that is what you mean by compliance officers. They are officers who are able to make regulatory compliance decisions.

**The Hon. PENNY SHARPE:** How many of them only do compliance work and how many do other things as part of their role?

**Ms MACKEY:** We do not categorise our work as compliance work or not compliance work.

**The Hon. PENNY SHARPE:** Right.

**Ms MACKEY:** So all of our operations officers—and I have got my two heads of operations here; they can talk in further detail if needed—are able to undertake the full scope of activities that we do in an operational capacity. I am happy to provide more information, if that is helpful.

**The Hon. PENNY SHARPE:** I understand that people do a range of different roles, but the reason why

we are asking these questions is how many people—the EPA's role is very important as the environmental regulator when there are incidents that occur. I am trying to get a handle on how many people are in that role and undertake those activities. Just telling me that there are 327—I do not know the right question to ask. Maybe you can help me in terms of what the breakdown of those officers is.

**Ms MACKEY:** The other thing to say is this: In addition to those authorised officers, we also have officers that are functionally based across the organisation who support all of that type of compliance work. So, for example, we have got both a litigation and a legal advisory team. So they are quite intimately involved.

**The Hon. PENNY SHARPE:** I am more about the face-to-face. Who is investigating incidents as they arise? You are saying there are 327 people who are authorised to do that—

**Ms MACKEY:** They are.

**The Hon. PENNY SHARPE:** —but they might not do that 100 per cent of the time.

**Ms MACKEY:** What we do is when there is a significant incident—for example, there was a significant incident last year in May and immediately, the day of the incident, we brought together a team that was not just our operational team but also included experts from our environmental solutions area who have deep expertise in particular pollution events and how to manage them and how to respond. We also brought together our significant investigations team, and we also had a couple of people from legal involved from the beginning. It depends on the nature of the complexity and scale of the event as to who we bring to bear for it.

**The Hon. PENNY SHARPE:** You do not have to provide this to me now; you can do it later in the hearing or on notice. Are you able to provide us with a breakdown of the number of authorised officers there has been over the past five years?

**Ms MACKEY:** I can do that on notice.

**The Hon. PENNY SHARPE:** Thank you. Has there been a reduction in the number of authorised officers?

**Ms MACKEY:** We have had an increase in the number of staff overall, and certainly an increase in the number of staff who are in our operations team. So we split from having one dedicated division around operations to two, and we have also trained staff who were previously not in the operations space to be able to undertake operations—for example, in the forestry space. I can give you a number on notice.

#### Answer

I am advised:

The number of authorised officers in the NSW Environment Protection Authority at the end of each financial year for the past five years has been:

- 2016–17            213
- 2017–18            233
- 2018–19            255
- 2019–20            277
- 2020–21 (YTD) 330

There has been no reduction in the number of authorised officers.

**The Hon. PENNY SHARPE:** Yes, if you could give us a breakdown, that would be terrific. Do you hire consulting firms to undertake pollution assessments?

**Ms MACKEY:** We do have consulting firms that we engage to assist us on a whole range of matters—including technical, advice and expertise—as we do investigations. If there is a particular matter or incident that you would like to point us to—

**The Hon. PENNY SHARPE:** I am interested in the use of AECOM for the Truegain facility in Rutherford incident.

**Ms MACKEY:** Sure. They have been providing us advice. They particularly did work with us around the sampling on that site. Ms Dwyer can come to the table and help us with the detail around the work that they have done.

**Ms DWYER:** AECOM also provided us some advice about not a formal audit but a survey of the site.

in terms of what infrastructure is on site and how stable is that infrastructure.

**The Hon. PENNY SHARPE:** That is not something that your staff would normally do?

**Ms DWYER:** We do not have practising qualified engineers in that space.

**The Hon. PENNY SHARPE:** Have you previously had people who do that work?

**Ms MACKEY:** We do have staff who have an engineering background, but in terms of their certification—for this particular site, as there are others, we want to make sure that we collect the evidence in a way that we can then make informed decisions about what regulatory action to take but also make sure we have got the best expertise on the job doing that work.

**The Hon. PENNY SHARPE:** How many pollution investigations like the Rutherford one have used consultants in the past 12 months?

**Ms MACKEY:** We would have to take on notice how many consultants we have used, although it is reported in our annual report. My recollection is that we have about halved the use of our consultants over the past financial year. I would also add that the Truegain site is a particularly complex and difficult site to manage. It still has a landowner and operator, licensee, who we are working to hold to account around the continued management of that site.

**The Hon. PENNY SHARPE:** The issue that we have with the use of consultants is that if they are less than 50,000, they are aggregated into broad categories. Would you be able to provide on notice—I do not expect you to do this today—the list of pollution investigation consultants used and the costs of those consultants?

**Ms MACKEY:** We can. We would not necessarily categorise them as pollution investigations. Even on the Truegain one, we probably would not categorise it in that way.

**The Hon. PENNY SHARPE:** We will just say investigations then.

**Ms MACKEY:** Sure.

#### Answer

I am advised that details of consultancies of \$50,000 or more are contained in the NSW Environment Protection Authority's (EPA) 2019–20 annual report available at: [www.epa.nsw.gov.au/about-us/publications-and-reports/annual-reports](http://www.epa.nsw.gov.au/about-us/publications-and-reports/annual-reports). There were two additional consultants used in the 2019–20 financial year in relation to an investigation:

Consultant	Category	Consultancy description	Cost
Dr William Glamore	Environmental	Providing independent advice to the EPA regarding PFAS contamination across NSW.	\$6,750
Nation Partners Pty Ltd	Environmental	Assessment report for A Becketts Creek including desktop assessment and final report to check for legacy asbestos.	\$4,932
			<b>Total \$11,682</b>

**The Hon. PENNY SHARPE:** How many consultants do you have working in your office, Ms Mackey?

**Ms MACKEY:** I do not have any consultants.

**The Hon. PENNY SHARPE:** How many contractors do you have?

**Ms MACKEY:** Across the EPA?

**The Hon. PENNY SHARPE:** No, just in your office.

**Ms MACKEY:** In my office, I believe I have one.

**The Hon. PENNY SHARPE:** How do you appoint your contractors? What is the process that you go through?

**Ms MACKEY:** We receive support from the DPIE cluster around how we engage staff. Generally, the way in which they are appointed is through an employment agency.

**The Hon. PENNY SHARPE:** So if you need someone, you go through DPIE. Is there a merit-based

assessment, or does it depend on who the contractor is? Obviously, there are rules around this.

**Ms MACKEY:** Absolutely.

**The Hon. PENNY SHARPE:** We just want to make sure that all those rules are being followed.

**Ms MACKEY:** Any appointment of contractors goes through our centralised team in DPIE. We normally ask for particular skills or requirements, and usually an agency will put forward a person for the role. Depending on what that role is, there is sometimes an interview. There is certainly provision of a curriculum vitae and so forth, and then there may also be further assessment of that individual's fitness in terms of whether they are the right person for the role.

**The Hon. PENNY SHARPE:** Can you confirm to the Committee that all of those have followed the Premier's memorandum?

**Ms MACKEY:** Absolutely.

**The Hon. PENNY SHARPE:** Very helpfully, the annual report lists the total cost for consultants. It looks like there were 63 in 2019-20. How many contractors are working at the EPA?

**Ms MACKEY:** I can come back to you later this afternoon. I do not have it right in front of me.

**The Hon. PENNY SHARPE:** That is fine. I appreciate that. Could you tell me, as well, what the total cost was of those contractors?

**Ms MACKEY:** Yes.

**The Hon. PENNY SHARPE:** I understand that a consultant was used for the EPA rebranding exercise, and it cost \$137,000. What has been the entire cost of the rebranding exercise?

**Ms MACKEY:** I can provide you with that: \$142,510.

**The Hon. PENNY SHARPE:** What is the role of the contractor in your office? What do they do?

**Ms MACKEY:** They provide joint support to my executive officer, and half of their role is also as an executive assistant to one of the other executive staff.

**The Hon. PENNY SHARPE:** I think you touched on this in one of your previous answers. Under the divisional structure realignment, there is a move away from specialist officer positions into more generalist officer positions. How many specialist officer positions are being realigned?

**Ms MACKEY:** We completed the realignment across the EPA early in 2020. There was no loss of specialist positions. What we moved from was what I would call a hybrid model where, over many years since sort of 2012, as additional responsibilities have come into the EPA those responsibilities had been added to the existing organisational structure. What we did is we moved away from the hybrid, which was some geographic-based teams and some specialist-based teams, to a functional model—so being clear about operational grants, engagement, legal, environmental solutions and so forth.

**The Hon. PENNY SHARPE:** Are you concerned or do you believe that you will be spending more money on consultants as you lose specialist officers under the realignment?

**Ms MACKEY:** No. As I indicated, we have actually decreased our spend in this regard. What we are able to do is draw more readily on the expertise that is available across the agency. For example, in the waste space we had a specialist waste team, whereas now we have got all of our ops staff that are able to do that immediate response, plus those with deep knowledge in the waste space being able to back in behind, as well as from the legal space and behaviour change space and so forth.

**The Hon. PENNY SHARPE:** This is a completely different question: Can I confirm that the EPA forwarded a draft of the Clean Air for NSW policy to the Minister's office in May 2019?

**Ms MACKEY:** That was prior to my time at the EPA.

**The Hon. PENNY SHARPE:** To be clear, the Minister told the estimates committee this last year.

**Ms MACKEY:** I would have to take that on notice because it was prior to my time and the clean air work currently sits with DPIE rather than the EPA. I am not sure when that swap-over happened, so I would have to go back and check.

**The Hon. PENNY SHARPE:** Can someone come back to me about that?

**Mr BETTS:** Yes, we will.

**Answer**

I refer to my answer at the 2019-20 Budget Estimates.

**The Hon. PENNY SHARPE:** I have a question about voluntary managed agreements on significant contaminated land. Your annual report suggested that 17 per cent of those are not being complied with. What are you doing to improve compliance with these agreements?

**Ms MACKEY:** I might ask Mr Beaman to come to the table and talk through our approach in the contaminated land space.

**Mr BEAMAN:** The voluntary management agreements are the legal instruments that we enter into with either the polluter or the property owner to secure the remediation or the clean-up of contaminated sites. We have just been working through a project looking at the level of compliance right through those agreements. We go back to the person, the property owner or the polluter, do the compliance checking to check whether they have complied or not and where they have not, seek what the timing is on that compliance. If there is no response from them, then we just escalate that in terms of enforcement action.

**The Hon. PENNY SHARPE:** Can you tell us how much enforcement action you have taken on those 17 per cent that are not currently compliant?

**Mr BEAMAN:** Can I take that on notice? I have not got that number with me.

**Answer**

I am advised that Voluntary Management Proposals (VMP) are submitted to the NSW Environment Protection Authority (EPA) by people managing land that has been declared by the EPA as significantly contaminated. VMPs detail agreed actions to manage the contamination and specify deliverables and milestones. For ongoing or significant non-compliances with VMP milestones, the EPA can escalate by issuing a Management Order under the *Contaminated Land Management Act 1997* to the polluter or landowner. VMP milestone compliance is measured by the EPA at the end of each quarter.

Of the 168 milestones due within 2019–20, 139 were completed on time (83 per cent), and 29 were not.

Of these 29:

- non-compliances were addressed in the following quarter for 22 milestones
- non-compliances were addressed in the following two quarters for five milestones
- the VMP was withdrawn and a Management Order was issued for one matter
- the site for the final matter has been sold and the EPA is seeking a new VMP from the new owners.

**The Hon. PENNY SHARPE:** Yes, thank you. Correct me if I am wrong, but my understanding is this is significantly contaminated land. Rather than prosecuting, the EPA's approach has been to work with the landowner, which is preferable if you can, to get them to agree to clean up. Are you concerned that one in six are still not complying? Surely it is a fairly serious process where you sit down with these landowners and say, "What are you doing to clean up your mess"?

**Mr BEAMAN:** Yes, it tends to be. It really depends on the nature of the compliance: whether it is administrative or was a minor matter. You need to look at each instance on its merits, and then we need to assess that against our prosecution guidelines.

**The Hon. PENNY SHARPE:** Thank you. I want to move to some reporting that was again in the annual report regarding proportion of licences that have been risk assessed. The annual report shows that one in 10 high-risk licences are not being inspected on time. What action is being taken to deal with that?

**Ms MACKEY:** One of the issues we had last year with the lockdown as a part of COVID was it did limit our capacity to do our normal inspections.

**The Hon. PENNY SHARPE:** You would argue that that figure is a function of last year's COVID?

**Ms MACKEY:** No. I think that did have quite a big impact and all of our stats dropped for a period last year, so in both the 2019-20 reporting period and what will be the 2020-21 reporting period, there are certainly

impacts in that space. We have embarked upon doing a regulatory strategy, which is currently out for consultation. It is quite clear about how we want to take not only the risk-based approach but also a broader approach, and outlines what that approach is, to how we undertake not just compliance but also monitoring and engagement much earlier on. I do not know if Mr Fowler wants to add anything around that.

**Mr FOWLER:** In particular around risk-based licensing there is a commitment to inspections for high-, medium- and low-risk licensees. Obviously that is effectively reflective of the environmental risks on those particular sites but also the environmental management practices that are being applied at that site. We do have a comprehensive and proactive program of inspections around risk-based licensing and most certainly in the past 12 months that has been impacted by COVID and the changes to work arrangements.

**The Hon. PENNY SHARPE:** You have 10 per cent that are not seeing anyone. What would you expect and hope that to close to by end of June this year or to the end of this year? It looks like you only measure it June to June.

**Mr FOWLER:** Over time we would expect our commitment to be 100 per cent.

**The Hon. PENNY SHARPE:** I want to ask questions about national parks. There will be some more EPA ones, but I am going to national parks now. Mr Fleming, National Parks and Wildlife Service has reported a 150 per cent increase in visitation in 2020-21, which I think would be definitely COVID-related. Is that accurate?

**Mr FLEMING:** I am not sure where you have got that precise figure from but it is accurate to say visitation has increased significantly and certainly at some sites it is up by 50 per cent and more.

**The Hon. PENNY SHARPE:** It is obviously a large jump and very welcome; we want more people going to and enjoying our national parks. Has there been any increase in the number of rangers and/or field officers to deal with that increased visitation?

**Mr FLEMING:** I can tell you that our total staff numbers as at early January—I am going to make sure I give you the correct date—as at 11 January was 1,881 full-time equivalent [FTE] staff. That does not include—

**The Hon. PENNY SHARPE:** That is across the entire service? That is not a breakdown of rangers versus customer service officers versus field officers?

**Mr FLEMING:** That is true but I wanted to give you the big picture first. That excludes casuals, contractors and board members. That is inclusive of the 125 additional roles we have added in response to the bushfire season last year. It does not include the 167—at least 167 we will add as part of the stimulus program, which is partly related to visitor assets. If you go back a couple of years, that is an increase of well over 200 FTE across the organisation. The big picture is there has been quite a significant increase in resources.

**The Hon. PENNY SHARPE:** Just to be clear, their roles are for bushfire recovery and obviously visitor facilities and those kind of things as part of the stimulus?

**Mr FLEMING:** That increase in staff resources is really driven by a whole range of factors. Partly it is in response to the fires, partly it is in response to emerging conservation priorities, partly it is in response to or a part of the stimulus program. Overall, it gives us increased capacity because so many of our staff undertake a variety of roles, whether it is fire management during the season—either fire response or prescribed burning—or visitor management, participating in a range of conservation activities. The staff are undertaking a range of different tasks. That increase in capacity is helping on the visitation front.

**The Hon. PENNY SHARPE:** Which is very good. How many of them were new rangers?

**Mr FLEMING:** I would have to take on notice exactly how many are new rangers. I can give you part of the answer. For example, I think in the stimulus program, for example, that we are recruiting for now there will be 11 additional team ranger roles. But I would have to take on notice the difference and I will take on notice both field officers and rangers over the last couple of years.

**The Hon. PENNY SHARPE:** We have got a few hours; we can come back to it.

**Mr FLEMING:** Sure. I can give you the difference. I can give you the actual numbers of rangers and field officers as at 11 January—rangers 226, field officers 815.

**The Hon. PENNY SHARPE:** That is terrific. If you could provide that to me for each year for the last five years on notice, that would be terrific.

**Mr FLEMING:** I can do that.

Answer

I am advised:

Staffing levels for ranger numbers (inclusive of senior rangers, team leader rangers and rangers 1/2) for the last five years are:

- July 2017 208 full time equivalent employees (FTE)
- August 2018 206 FTE
- July 2019 218 FTE
- July 2020 216 FTE
- 11 January 2021 226 FTE

Staffing levels for field officer numbers for the last five years are:

- July 2017 650 FTE
- August 2018 624 FTE
- July 2019 677 FTE
- July 2020 688 FTE
- 11 January 2021 815 FTE

The National Parks Maintenance Program (NPMP) will add over 160 additional temporary roles (by role count) to the NPWS structure as part of the NSW Government's economic stimulus. These additional stimulus roles (not included in the above figures) will include 11 ranger roles (10 team leader ranger and one ranger 1/2) for the period to 30 June 2022. The mix of roles has been designed to deliver on the priorities of each program with maximum efficiency. Most NPMP roles are field officer roles as the program is focused on maintenance, repair and restoration work in national parks and reserves.

**The CHAIR:** Questions from the crossbench now. I want to ask a couple of questions about biodiversity offsets. Who is best placed to ask those of?

**Dr GRIMES:** You could ask them to Ms Dumazel and myself.

**The CHAIR:** Specifically in relation to the 558-hectare block that is the old former Air Services Australia site at Shanes Park, I understand that site has one of the largest remnants of Cumberland Plain Woodland on it. I understand that it has recently been transferred into the National Parks and Wildlife Service estate. Is that correct?

**Ms DUMAZEL:** Yes. I have to confirm if it is Shanes Park. It is going to be, I think, reserved.

**Mr FLEMING:** The title has been transferred to National Parks. It has not yet been declared under the National Parks Act.

**The CHAIR:** In 2006, then New South Wales Minister for Planning, Frank Sartor, said that the site would be a key offset for the development of quite a few new homes—tens of thousands of new homes—in places such as Riverstone, Schofields and Shanes Park. That was an offset, the protection of Air Services Australia. Is there a reason why the full Air Services Australia site therefore has not been transferred to the National Parks and Wildlife Service? I understand the whole site has not been transferred over?

**Ms DUMAZEL:** I will have to take that one on notice.

**The CHAIR:** Is it because—it actually is because, I am pretty sure—some of it has had to be portioned off because of a road that is now going through some of that site? Mr Fleming?

**Mr FLEMING:** I will do my best to answer the question. I think—and I will confirm this; we can confirm this for you today—the whole site has been transferred to National Parks and Wildlife. But I think we need to factor in whether any of it will be required for the road corridor before we declare an area under the National Parks and Wildlife Act, before it is converted from what we call part 11 to a part of the national parks estate. But I will confirm that for you.

Answer

I am advised that on 4 December 2020, the former Air Services Australia site at Llandilo, known as Shanes Park, was transferred in its entirety to the Minister for Energy and Environment. The National Parks and Wildlife Service currently manages the site under Part 11 of the *National Parks and Wildlife Act 1974*.

**The CHAIR:** Thank you. The other area that I was hoping you could also clear up for the Committee is the one—I think again we are talking about Cumberland Plain Woodland and this is one that appeared in the Guardian. Lisa Cox did an investigative piece, I think with a fair bit of material that came through probably from a Government Information (Public Access) Act [GIPAA] or freedom of information [FOI] application, in relation to the Colebee Reserve. This is for the M7 toll road. Are you aware of that one as well? There has been quite a bit of alarm that in fact that reserve has not been transferred for inclusion into the reserve system yet, some 20 years after the need for the offset in the first place.

**Mr FLEMING:** I am not familiar with the history, but I have been advised that there are some outstanding commitments from Transport before the site can be transferred to National Parks. I think there was a commitment for them to do some remediation and spend some money on the site before it was transferred to us and that has not yet happened.

**The CHAIR:** Are there other situations where the Government is waiting on offsets which have been promised to be transferred to the reserve system but there have been delays?

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

#### Answer

I am advised that the National Parks and Wildlife Service (NPWS) is not aware of any offsets that require transfer to NPWS under conditions of consent, either under the State *Environmental Planning and Assessment Act 1979*, or the Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999*, for which the scheduled transfer date has passed.

**The CHAIR:** Other than you, Mr Fleming, in terms of dealing with offsets, we do not have anybody from the Biodiversity Conservation Trust here, do we?

**Dr GRIMES:** We do have somebody from the Biodiversity Conservation Trust. Mr Paul Elton will be with us very shortly and he can assist you.

**The CHAIR:** The question is in terms of the time period. Is it usual for a time period of 20 years to occur?

**Ms DUMAZEL:** With the changes with the Biodiversity Conservation Act, now with the Biodiversity Offsets Scheme, offsets have to occur before a project. So that is all done beforehand. If it is under the previous rule, so under the new Act, there is quite significant transparency around the biodiversity offsets and the requirements and for those offsets to be obtained prior to the commencement of the project.

**The CHAIR:** Could I explore that a bit further? Is what you mean that it is laid out that these are going to be the offsets but, in fact, some of those offsets are, of course, into the future, aren't they? There are offsets that are about restoring land or making trees or what have you, but also some of it—for example, out in the Georges River around the Macarthur region—some of the offsets there are in fact offsets that are going to be coming into the State's possession in five or 10 years. Is that correct? Although we know about them now.

**Ms DUMAZEL:** I would have to understand the specific project because it depends on the project. It also depends on the conditions that the consent authority would have applied at the time for a particular project. So, looking now under the Biodiversity Offsets Scheme, if there are particular offsets required for a project they have to be found beforehand. If there is a particular example, I can take that on notice to consider further.

**The CHAIR:** Okay. I will come back to you with the specifics.

**Answer**

I have been advised of the following in relation to the NSW offsetting policy and offsetting in the Western Sydney Growth Centres.

In 2007, a voluntary offsetting scheme was established called BioBanking. The BioBanking market started trading in 2010. In 2014, biodiversity offsetting became mandatory for major projects.

Under the *Biodiversity Conservation Act 2016*, offsetting was progressively streamlined, strengthened and expanded into a state-wide and mandatory scheme for more development types. Section 7.13(5) and section 7.14(4) of the *Biodiversity Conservation Act 2016* require that offsets are met before there are impacts to biodiversity. In some earlier approaches to biodiversity offsetting, this was not required.

Under the *Biodiversity Conservation Act 2016*, if the conditions of development consent allow the staging of development, the consent conditions can allow for the requirement of credits to also be staged.

**Western Sydney Growth Centres**

In 2008, before the current NSW Biodiversity Offsets Scheme came into operation, the NSW and Commonwealth Governments established a 50-year Growth Centres Biodiversity Offsets program as a strategic approach to offsetting. This program secures land for permanent protection to offset impacts to biodiversity from development of the North West and South West Growth Centres.

The delivery of biodiversity offsets is staged against development. Biodiversity offsets for this program will continue to be delivered into the future.

The funding for the program is levied through developer special infrastructure contributions. The program is also supported with additional NSW and Commonwealth government funding.

To 2019, 715 hectares of high conservation value land has been permanently protected at 20 locations across western Sydney under the program.

The NSW Government continues to review and learn lessons from previous strategic approaches to biodiversity offsetting. These lessons are being applied through new strategic biodiversity certifications under the *Biodiversity Conservation Act 2016*, including the current Cumberland Plain Conservation Plan.

**The Hon. MARK PEARSON:** This question is in relation to the kangaroo management harvesting plan. In the Commercial Kangaroo Harvest Management Plan 2017-2021, version one, population densities for wallaroos in the Northern Tablelands were incorrectly calculated. In the Upper Hunter the density was calculated at 9.2 when, in actual fact, the correct density was 3.03. In the 2019 report, after "applying the correction factor," the density decreased from 2.83 to 2.03. This cannot be mathematically correct. The 2017 estimate for wallaroo populations cites four different figures. These are just a few examples of what we have found looking through all of these analyses. Can you explain how these reports can contain so many calculation errors?

**Ms MOLLOY:** The population estimates are done annually west of the great divide for most of the zones, and on the tablelands they are completed every three years. That is a lot of data that we are collecting on a continuous basis, so there is a rigorous testing process to make sure that that data is accurate. There are correction factors applied. In this particular case, we found the correction factor had not been applied properly—so that is our checks and balances. We went back and we made sure that the estimate was correct and we corrected that on the website. There is a continuous process of checking the data. It is an incredible amount of data that we collect every year.

**The Hon. MARK PEARSON:** What actually is a correctional factor?

**Ms MOLLOY:** I am across the technical detail of this because we have some really good modellers and scientists. It is backed by scientific information and scientific papers about how to apply that correction factor. I think it is in the order of 1.83, but I would have to get back to you on the technical merits of that. I am not a modeller.

**The Hon. MARK PEARSON:** Yes, I understand what it is, but I am wondering how that is actually discovered? How is this correctional factor of 1.83—how do we get to it? What is the rationale behind it? Because, as I have provided earlier in questions to the Minister and now questions to yourself, there are numerous errors—numerous. It is not just one or two—numerous errors. I think what you need to understand is that when this analysis is done and a figure comes out, that then translates into how many animals are allowed to be killed which are otherwise protected. So it is a very serious issue. If this equation—if this logarithm or whatever it is that is applied—has even a 5 per cent incorrecion, then that means harm to animals that are otherwise protected. So

could you please take on notice how this correctional factor is arrived at? And if it is so robust and correct, so to speak, why do we have so many errors?

**Ms MOLLOY:** I am happy to take that on notice.

**The Hon. MARK PEARSON:** You can take that on notice to provide that answer in detail?

**Ms MOLLOY:** Yes. So we have quite a bit of scientific literature to back the methodology that we use and we are continuously improving the collection of the data and the analysis of it. As I said, I am not a statistician or a modeller, but I can certainly provide you with some details around how we get that.

#### Answer

I am advised that the method for development of the correction factor is outlined in the scientific paper published by Clancy, Pople and Gibson in 1997. The study compared the population estimates derived by helicopter surveys with estimates derived by on-ground surveys at four sites with wallaroos present in Queensland.

The on-ground surveys were assumed to observe all wallaroos that occurred in the survey area. In contrast, the helicopter surveys observed on average 54 per cent of the wallaroos observed by the ground surveys.

These results allow calculation of a correction factor for helicopter surveys by dividing 54 per cent into 1, which equals 1.85. This correction factor is then used to account for wallaroos missed by helicopter surveys by multiplying the helicopter counts by 1.85.

If the Department of Planning, Industry and Environment finds an error in its survey reports or calculations it publishes the corrected results with an explanation on its website. The most recent example of a correction, from late 2020, related to the correction factor mistakenly not being applied to some data, not to errors in the correction factor itself.

Reference:

Clancy, T. F., Pople, A. R. and Gibson, L. A. (1997) Comparison of helicopter line transects with walked line transects for estimating densities of kangaroos. *Wildlife Research* 24, 397–409.

**The Hon. MARK PEARSON:** If it is true that the Adelaide study, which says that using other technology than what the New South Wales department of the environment does—the University of Adelaide study—shows that it is about 92 per cent correct to use imaging and drones as opposed to flying over these populations with a helicopter, terrifying them and not knowing whether you are counting a goat or a kangaroo; if it is true what the University of Adelaide is saying, do you not think that the methodology used to count the numbers of kangaroos—and other animals for that matter, wallaroos et cetera—must be completely overhauled if the question is that animals are being harmed which otherwise have to be protected?

**Ms MOLLOY:** The kangaroo management plan is due for renewal. It runs from 2017 to 2021, so we will be updating that management plan. As you know, that also needs to be submitted to the Commonwealth as part of our wildlife trade agreement. It may be possible to look at some potential—are we using the right method to calculate kangaroo populations? I think it would be an interesting model to try to get drones to look across the entire State of New South Wales around kangaroos, but we can certainly look at different options—

**The Hon. MARK PEARSON:** They can fly as fast as helicopters, can't they?

**Ms MOLLOY:** We use planes as well as helicopters. We might use helicopters in the tablelands?

**The Hon. MARK PEARSON:** So we are counting kangaroos from planes.

**Ms MOLLOY:** Small planes, yes.

**The Hon. MARK PEARSON:** How high are they?

**Ms MOLLOY:** That I do not know. I can get that for you.

**The Hon. MARK PEARSON:** Thank you.

**Ms MOLLOY:** We have some corrections from this morning. Mr Pearson, you asked me some questions this morning, so I just wanted to clarify and add some additional information that I could not this morning. In relation to the actual aerial surveys, the department undertakes annual aerial inland plane surveys—that is in the western zones—in collaboration with New South Wales DPI. I said that it was DPI but we do that in collaboration and they assist us to analyse the data.

The triennial tableland surveys are undertaken by the department, in collaboration with Mr Kearns and he is contracted by the department, as you rightly pointed out. The program costs: the Commercial Kangaroo Management Program is funded by licence and tag fees at a cost of \$1.4 million per annum. Aerial surveys are included as part of that. I will have to take on notice the action costs of the helicopters or the planes. I do not have it specifically every time it goes up. You asked me some detailed questions around the kangaroo survey methods which I promised I would provide and also population estimates. You asked me some specific questions in relation to the Kangaroo Management Advisory Panel [KMAP].

**Answer**

I am advised that each helicopter survey costs approximately \$51,000 per kangaroo management zone. Fixed-wing surveys cost approximately \$260,000 per year to survey the inland plains.

Regarding survey methods, population estimates and the kangaroo management advisory panel, please see the answers to previous questions taken on notice, provided above.

By way of background in terms of how the nominations were made in the first place, it aligns to the actual kangaroo management plan, so the term is from 2017 to 2021. The department advertised for nominations back in 2016. Nominations were put forward by organisations such as the Kangaroo Industry Association of Australia, the RSPCA, NSW Farmers and the Australasian Wildlife Management Society [AWMS]. The chief executive at the time made the appointments to the panel—I cannot remember who that was off the top of my head back in 2017. As I said, the panel is established for the period of the management plan. So the management plan will be renewed later this year for 2022, so there will be some new nominations.

In relation to Steven McLeod's role—the AWMS and the Scientific Wildlife Management Society, Dr McLoud was nominated by the AWMS at one of their annual general meetings. His current appointment is in its second term. The New South Wales DPI role is occupied at director level management. So there is a separate member that represents the Department of Primary Industries. You also asked around Jason Wilson's role as an Aboriginal—

**The CHAIR:** I have just checked with Mr Pearson. I think when we get to this level of detail, it can actually be provided on notice unless it is relevant for the questions today.

**The Hon. MARK PEARSON:** I have no intention of pressing any of those questions. You can table that.

**Answer**

Regarding the roles of Dr Steven McLeod and Jason Wilson on the Kangaroo Management Advisory Panel, please see the answers to earlier questions taken on notice provided above.

**Ms MOLLOY:** All right.

**The CHAIR:** I appreciate your supplying that information.

**The Hon. MARK PEARSON:** So do I.

**Mr JUSTIN FIELD:** Ms Mackey, this is probably for one of your staff. The Forestry Corporation is currently conducting a sustainable yield review, which it is required to do on a five-yearly basis or as required. I believe this review has been called as a result of the fires. What is the role of the EPA, if any, in supporting that sustainable yield review?

**Ms MACKEY:** In terms of the production of that report, that is not something that the EPA has had engagement with at all. We are currently going through a process seeking access to that report, whether it be in draft or finalised. In fact, we sought access to that through a notice procedure last week and we followed up because we were not given access through that procedure.

**Mr JUSTIN FIELD:** Will you explain what that procedure is? You have opened a door a little.

**Ms MACKEY:** Certainly. As I have indicated already a couple of times today we are looking at all of the regulatory actions and levers that we can use to ensure that we are well positioned to hold Forestry Corporation to compliance as they return to the IOFA. We went through a process a short time ago providing a formal notice to Forestry Corporation seeking a range of documentation that would inform their return to operating under the IOFA. They replied to that notice last week and certainly the sustainable yield report, despite whatever status it might have—whether it be draft or final—certainly would have been captured as a part of that notice process.

**Mr JUSTIN FIELD:** Just to clear, they have refused to provide you with access to the status or any information underpinning that sustainable yield review?

**Ms MACKEY:** It was not that straightforward. I am not meaning to mislead in any way. The correspondence we received back was noncompliant in terms of them providing us those documents that were subject to that notice. They did indicate that there was an opportunity for us to view it, with particular arrangements with them, but that is noncompliant with the notice, nor did they seek to engage with us prior to finalising their response to the notice, nor have they sought to engage with us following provision of those documents and their response to the notice. So we followed up yesterday and have provided a show cause to Forestry Corporation around why we would not proceed with compliance action and also indicating that we expect that sustainable yield report, regardless of status, to be provided to us by close of business today.

**Mr JUSTIN FIELD:** Do you know when that sustainable yield review process began?

**Ms MACKEY:** We do not know when it began. When we get the documentation we are hopeful that not only it provides details around their findings of that review but also the process that was gone through.

**Mr JUSTIN FIELD:** I assume your interest is because, of course, the RFA under which the harvesting of timber happens, not just State forests but actually in all forests across New South Wales, is required to be at an ecological sustainable level of harvesting and that is guided by the sustainable yield. Ultimately the outcome of that review determines whether there is compliance with ecologically sustainable forest management and, therefore, the New South Wales Forestry Act which is your fundamental concern and criticism in the public letters that you have put. Have I drawn that connection correctly? That take is ultimately the critical question about whether the logging and harvesting they are doing complies with the CIFOA?

**Ms MACKEY:** We are certainly interested in all the evidence that is available, both that which the Forestry Corporation produces from the timber sector side as well as the science that we are able to collect both internally and externally and all of the other expert advice that we are getting. So it is germane to our consideration of the regulatory actions that we take.

**Mr JUSTIN FIELD:** If that sustainable yield assessment shows that the sustainable yield has fallen markedly, which I think a reasonable person would expect, particularly on the south forests given the 80 per cent burn levels, at what point do you start to have a question about whether the CIFOA, as it is currently written, is an adequate regulatory instrument for ecologically sustainable forest management in New South Wales?

**Ms MACKEY:** We certainly have not got a benchmark in mind, and that is not the way in which we are approaching this. Again, the sustainable yield report should give us more information. We will carefully look at that and then obviously we are thinking about, given all of the evidence that we have, what next steps we might take in terms of regulatory action.

**Mr JUSTIN FIELD:** Without that information on the public record and with so much uncertainty about what a sustainable level of harvesting would be, I would imagine that you would have grounds to consider a stop work order because of the potential risk associated with logging above that sustainable yield.

**Ms MACKEY:** Stop work orders are certainly one of the regulatory actions that we can take. You would have seen we used stop work orders in 2020 and we are actively considering all of the options that we have at hand.

**Mr JUSTIN FIELD:** The second substantive update on your website issued in February, after the one in September, contains information about the December 2020 risk assessment result and pre-December 2020 risk assessment results where you identify the compartments in State forests that you consider to be high risk. Will you talk me through that risk assessment process?

**Mr FOWLER:** I would be happy to respond to that. Coming out of bushfires in 2019-20 we were very much operating in the space of the unknown. We were bringing expertise from across government to help inform our understanding of the impact of the bushfires, in particular in State forests and how they might impact on timber harvesting activities, logging activities. We were looking at information around the fire severity, threatened species, the nature of the land form from an erosion and water pollution point of view and biosecurity. Effectively we were pulling the expertise together to help us better understand those environmental risks that were on those sites that Forest Corporation were considering for logging activity so that we could look at an approach where we could mitigate those risks. And that was effectively fed into site-specific operating conditions, which were issued under the coast IOFA.

Over the 12-month period up until now effectively that assessment process, if you like, has been refined where we have got more comprehensive and robust information. It has allowed us to better understand the on-the-ground impact of the fires and that includes information from our own operational staff and information that is coming, in fact, from Forest Corporation as well garnered from its pre-logging surveys et cetera. That information allowed us to effectively categorise compartments that were being nominated for logging and depending on, I

guess, a combination, if you like, of environmental risks, it drew up a hierarchy from high to low. Those compartments at the highest end of the spectrum were the ones that we were effectively looking—we were not looking to issue site-specific operating conditions for those. It was those at the lower end.

**Mr JUSTIN FIELD:** Thank you.

**The CHAIR:** Thank you. I will move to questions from the Opposition.

**The Hon. PENNY SHARPE:** Thank you. I wanted to just ask—these are pretty quick questions—about how much money was raised for the waste levy in 2019 to 2020.

**Mr BETTS:** We should have that. We will try and find that if you want to fire the next question at us while we find the answer to that.

**The Hon. PENNY SHARPE:** While you are doing that, can you tell me how much you expect to raise in 2021? I want the split between how much you got to keep and how much you had to return to Treasury.

**Ms MACKEY:** In the 2019-20 financial year, the waste levy raised \$748 million for consolidated revenue.

**The Hon. PENNY SHARPE:** Sorry, that is to the year 2020. So that is last year—most up to date. So you are saying \$748 million went to consolidated revenue. How much then went to your programs?

**Ms MACKEY:** It comes back to both the EPA and DPIE. We can certainly take that on notice and give you a split in terms of—

**The Hon. PENNY SHARPE:** If you could give us a breakdown because, yes, we are obviously wanting to know how much was raised year by year and then the split between how much you got to keep and how much had to go to consolidated revenue. The other part of it is—and, I think, this is a new thing that I was unaware of—that it is not just coming back to the EPA, it is now split across the two, which is fine, but would you be able to give us those splits as well?

**Ms MACKEY:** Certainly the one-third allocation that has previously been talked about in terms of the waste and environmental levy coming back to the Environment portfolio, it is consistent with that 2019-20 split. I can tell you that the EPA received 64 per cent of that one-third, 20 per cent went to the Environmental Trust and 8 per cent went to DPIE, to Environment, Energy and Science.

**The Hon. PENNY SHARPE:** That 8 per cent, what does that—I think this is one for you, Dr Grimes—fund?

**Dr GRIMES:** Just give me a moment and I will see if we have got an officer who would be able to give a good breakdown.

#### Answer

I am advised that in the 2019–20 financial year, the waste levy raised \$748 million for consolidated revenue. The forecast revenue for the 2020–21 financial year is \$748 million.

One third of the waste levy revenue is allocated to the delivery of programs within the Environment Portfolio, with the balance retained in consolidated revenues. That one third share is split equally between the Environment Protection Authority and the Environment, Energy and Science Group in the Department of Planning, Industry and Environment (as discussed later in the hearing – see page 59 of the uncorrected transcript).

The waste levy funds a range of initiatives across the Environment, Energy and Science Group, including;

- Land Management Biodiversity Conservation reforms
- Conservation planning, compliance and regulation
- Water quality monitoring initiatives and coastal conservation programs
- Funding for the Biodiversity Conservation Trust
- Maintenance and upgrade of National Parks Fire Trails Network
- Management of national parks transferred from the Commonwealth Government
- Management of River Red Gum National Parks and Aboriginal Co-Management initiatives
- Other specialist national parks programs including pest and weed monitoring and eradication, and visitor experience initiatives.

A breakdown of 2019–20 allocations and forecast 2020–21 allocations is provided below:

	2019–2020 Full Year Actuals (‘000s)	2020–2021 Full Year Forecast (‘000s)
WELE Revenue	748,322	748,290
DPIE/EPA allocation	249,416	249,405
EPA share of allocation	124,708	124,703
EES share of allocation	124,708	124,703

**The Hon. PENNY SHARPE:** Yes, terrific. That is fine. Sorry, I am jumping a bit all over the place on this, I apologise for that. While we are getting those figures, just in terms of the waste levy, is there any sort of review going into the waste levy and the way in which it is used and allocated?

**Answer**

I am advised that on 26 November 2020, the Audit Office of NSW tabled a Performance Audit Report titled “Waste Levy and grants for waste infrastructure”. The objective of this audit was to assess the effectiveness of the NSW Government in minimising waste sent to landfill and increasing recycling rates. The audit focused on two key initiatives within the Government’s NSW ‘Waste Avoidance and Resource Recovery Strategy 2014–21’: the waste levy and grant programs targeted towards funding waste infrastructure.

To ensure that the management of waste continues to meet the needs of NSW, the Department of Planning, Industry and Environment–Environment, Energy and Science Group is leading the development of a 20-Year Waste Strategy – a whole-of-government initiative for NSW– in partnership with the NSW Environment Protection Authority. The strategy will provide a long-term strategic focus, enabling communities, industry and all levels of government to work together to build resilient services and markets for waste resources.

**Ms MACKEY:** That is a matter for Government as part of the 20-year Waste Strategy.

**The Hon. PENNY SHARPE:** Which is not quite ready, as we know. Where is the Waste Strategy up to?

**Dr GRIMES:** The Waste Strategy is currently being actively progressed and under consideration by the Government. So both DPIE and EPA are working closely to support the Government’s consideration of the Waste Strategy.

**The Hon. PENNY SHARPE:** So it is due to run out in 2021. Is that right?

**Ms MACKEY:** Sorry—

**The Hon. PENNY SHARPE:** From my understanding, the current Waste Strategy was the 20-year Waste Strategy but the final—under the Waste Avoidance and Resource Recovery Strategy 2014 to 2021, we are heading towards the end of that. Is that right?

**Ms MACKEY:** That is correct.

**The Hon. PENNY SHARPE:** There are some pretty significant issues, are there not, in relation to the targets for recycling in that? My understanding is that the strategy said that around 70 per cent of municipal solid waste would be recycled, 70 per cent of commercial and industrial would be recycled, and 80 per cent of construction would be recycled, diverting 75 per cent from landfill. The last figures that I have available to me were that municipal solid waste was only at 42 per cent, commercial and industrial was at 53 per cent, and construction and demolition was at 77 per cent.

**Ms MACKEY:** They are the latest figures. They are the 2018-19 figures, and that is the latest available on the data that produces these figures.

**The Hon. PENNY SHARPE:** So there is nothing for you to provide to update that.

**Ms MACKEY:** I do not have any further update.

**The Hon. PENNY SHARPE:** Clearly, there is a gap between what the targets were and what is being delivered.

**Ms MACKEY:** There is a range of performance against those targets. Some have exceeded the targets,

others are very close to targets and others are under the targets. But the targets you have mentioned are the ones that are the latest available.

**The Hon. PENNY SHARPE:** Would you then be able to provide to the Committee the breakdown of each of those targets and whether they are being met or not?

**Ms MACKEY:** Yes.

**The Hon. PENNY SHARPE:** Thank you. Have we got that question from Dr Grimes?

**Dr GRIMES:** The latest advice I have got here is we are seeking information at the moment. We do not have someone to answer it at the moment.

**The Hon. PENNY SHARPE:** Right, okay. You can come back to us this afternoon. That is great. Very keen to understand what your 8 per cent funds.

**Dr GRIMES:** Absolutely. We will make sure that we are able to respond later on in the afternoon.

**The Hon. PENNY SHARPE:** Terrific. Just to clarify too, so the 20 per cent goes to the Environmental Trust, that is right? Is that what you are saying? And then the 64 per cent—this is the waste levy—goes to the EPA. Can you give us a breakdown—again, happy for you to take it on notice—of what is funded within the EPA out of that 64 per cent?

**Ms MACKEY:** I can. The vast majority of the funding goes to Waste Less, Recycle More set of programs. But we can take it on notice and give you a breakdown.

#### Answer

I am advised that the Waste Levy that goes to the EPA is used to fund a number of roles and programs, the main external programs are:

Circular economy programs including

- Business recycling
- Community recycling
- Infrastructure e.g. Product Improvement Program
- Litter
- Local Government e.g. Alternative Waste Treatment
- Organics

Education and programs

- Kerbside dumping projects
- Broken Hill Environmental Lead Program

Aboriginal initiatives

- Aboriginal Communities Waste Management Program
- Aboriginal Land Clean up Prevention Program

Contaminated land programs.

**The Hon. PENNY SHARPE:** Terrific, thank you. This is one for Mr Fleming, it is only one question though. Are you able to tell the Committee when we will get the final release of the Wild Horse Heritage Management Plan for Kosciuszko National Park?

**Mr FLEMING:** The Minister indicated in his release when releasing the survey report it would be the first half of this year.

**The Hon. PENNY SHARPE:** Imminent. Thank you.

**Mr FLEMING:** While I am here, can I please confirm the advice I gave about Colebee—

**The CHAIR:** Excuse me, Mr Fleming, can you please talk into your microphone. Thank you.

**Mr FLEMING:** Can I please confirm just the advice about Colebee. Yes, that will be transferred to us when remediation and boundary fencing is done and, yes, Shanes Park—the whole site—has been transferred to us. I will say that is 560 hectares in case there is any ambiguity there. Before we declare that under the parks Act, there are a couple of issues to resolve. One is there is a pistol club on site—that probably will not end up within the declared area. And there is some uncertainty about the area that may be required for a road, so I am going to

resolve that with Transport.

In terms of staffing, Ms Sharpe, I did just want to give you—five years ago the staffing FTE, excluding casuals and contractors, was 1,586 in July 2016. Now it is 1,881, as I said, and another 167 positions to add. For rangers in July 2016, it was 212 rangers. There are currently 226, and that also will go up with the stimulus program. There were 675 field officers in July 2016, and on 11 January there were 815. So quite significant increases across the board. I did also just want to repeat that in terms of the visitor management, which you referred to, that is the diversity of our staff—field officers, rangers, we have visitor staff in high-use parks. So a lot of people across the organisation are engaged in the visitor management challenge.

**The Hon. PENNY SHARPE:** Those extra field officers that you are talking about, are they still funded under the Enhanced Bushfire Management Program from the Climate Change Fund?

**Mr FLEMING:** There are a range of funding sources. That includes, I think, 122 out of the 125 additional staff from consolidated funding in response to the last bushfire season.

**The Hon. PENNY SHARPE:** Could you then just confirm on notice how many of your staff are funded out of the Climate Change Fund enhanced management?

**Mr FLEMING:** Yes.

**Answer**

I am advised that 98 roles, excluding temporary roles, in the National Parks and Wildlife Service are funded from the Climate Change Fund Enhanced Bushfire Management Program.

**The Hon. PENNY SHARPE:** Thank you. One last one before you go and sit back down, can I just confirm, the latest figures we have got around feral horses in Kosciuszko National Park is that there are around 14,000.

**Mr FLEMING:** Correct. If you do not mind, I will just skip to my notes. Yes, the population estimate was 14,380, based on that spring 2020 survey. I should probably add that 95 per cent confidence interval was around 8,800 to around 22,500.

**The Hon. PENNY SHARPE:** Can I just confirm that horses were removed from the park during the bushfires but that some of them—in fact, more than half of them, over 150 of them—were returned to the park?

**Mr FLEMING:** I can confirm that the latest advice I have is that 441 have been removed in 2021 to date. I will have to take on notice exactly how many—

**The Hon. PENNY SHARPE:** But can you just tell me—I am really interested in the actual figures—whether it is the case that horses were removed from the park during the bushfires and then were just returned to the park?

**Mr FLEMING:** They were trapped on the park. However, animal welfare is obviously paramount, so for heavily pregnant mares or mares with foals, if they were trapped they were released. That was on the basis of welfare advice. I will have to give you the exact number that were released. I do not think it was half but I will clarify before the end of the day.

**The Hon. PENNY SHARPE:** That would be terrific.

**Answer**

I am advised that no horses were removed or returned to the park during the 2019–20 bushfires.

Details about the overall number of horses removed during post-bushfire operations were provided later in the hearing. Please refer to page 82 of the uncorrected transcript.

**The Hon. CATHERINE CUSACK:** Sorry, can I just ask: Were they returned or released?

**Mr FLEMING:** Released. They were never taken off the park.

**The Hon. CATHERINE CUSACK:** They were never taken off?

**Mr FLEMING:** Correct.

**The Hon. PENNY SHARPE:** They were never taken off the park, but they had been trapped?

**Mr FLEMING:** On the park, that is right.

**The Hon. PENNY SHARPE:** You could have made a decision. I understand the—

**Mr FLEMING:** The welfare issue is that putting them on a truck is not the right thing to do from a welfare point of view at that point.

**The Hon. PENNY SHARPE:** I am not quite sure who to direct this to, Mr Betts, so you can direct traffic. It regards the Richmond River and the ongoing reporting of the fact that the water quality is D-minus. Who looks after the water quality?

**Ms MOLLOY:** I can probably help.

**The Hon. PENNY SHARPE:** Okay, Ms Molloy. We will give it a go; if you do not know it is okay.

**The Hon. CATHERINE CUSACK:** Penny, I think there is a list of about 20 people.

**The Hon. PENNY SHARPE:** I know. I am no longer the shadow Minister so I am not sure about all of them. That is why I am asking.

**Ms MOLLOY:** Hopefully I will be able to answer.

**The Hon. PENNY SHARPE:** My understanding is that at the previous election a commitment was made to support the clean-up of the Richmond River. This may have come out of the Northern Rivers Watershed Initiative. I also understand that there has been some commitment by the Federal Government to this. Can you let the Committee know where that is up to and are you aware what money is actually committed for this project?

**Ms MOLLOY:** I am not aware of Federal funding but I can certainly take that on notice. I am aware that there is some NSW Marine Estate Management Strategy funding to use Richmond as a pilot to sort of look at pollution and how that affects the marine estate. I also know in terms of the things I am aware of, but I am not aware of the Federal funding.

**The Hon. PENNY SHARPE:** No, that is fine. My understanding is that the Northern Rivers Joint Organisation of councils has been championing—this is a project that has been around for a while. As I said, it is called the Northern Rivers Watershed Initiative. It has been agreed that Rous County Council would be the lead agency. You are not aware, so please take it on notice; this is not a gotcha. I am genuinely trying to find out where it is up to.

**Ms MOLLOY:** No, okay.

#### Answer

I am advised that no federal or state government funding has yet been committed to implement the Northern Rivers Watershed Initiative.

**The Hon. PENNY SHARPE:** Has any funding been allocated to that specific project?

**Ms MOLLOY:** I am not aware, but I may be able to find out in the break.

**The Hon. PENNY SHARPE:** I would really appreciate that. Thank you.

**Ms MACKEY:** May I clarify just in terms of the waste levy, Ms Sharpe? I indicated in terms of the one-third provided to the Environment portfolio the split of 64 per cent, 20 per cent and 8 per cent. Those percentages are not the split of the one-third; they are the percentage of the total budget for those three organisations. The split of the waste and environmental levy funds of that one-third is actually more like 50 per cent to the EPA and 50 per cent to DPIE and the NSW Environmental Trust. Sorry for that confusion.

**The Hon. PENNY SHARPE:** That is why it piqued my interest.

**Ms MACKEY:** Sorry about that.

**The Hon. PENNY SHARPE:** No, that is okay. We might come back to that.

**The Hon. MARK BUTTIGIEG:** How long have I got, Cate? Five minutes?

**The CHAIR:** Six minutes.

**The Hon. MARK BUTTIGIEG:** I refer to compliance issues on the EPA. On 1 February the EPA announced it would be conducting testing for lead pollution at Captains Flat. The notice said that the rail corridor had already been tested, with elevated levels of lead being found. What day did the EPA find that the rail corridor

**Mr BEAMAN:** There was some work we have asked Transport for NSW to do to look at their assets in terms of site contamination. I will come back to the Committee with a specific date. But we were told they did some survey work at the rail corridor, they detected high levels of lead and they notified us in late 2020.

**The Hon. MARK BUTTIGIEG:** How many free soil tests have been conducted in that area so far? Do we know?

**Mr BEAMAN:** I can come back with an accurate number but we have worked together with the other agencies—Regional NSW, Crown Lands and NSW Health. I do not know if you have been to Captains Flat but the mine ceased operating there in 1962 and the town is really abutted against the old mine site there. Crown Lands has a program in place to do some further rehabilitation work that is really a legacy mine issue. At last count I think we had down about between 60 and 80 soil tests through the community around Captains Flat on public land—areas like the park and the footpath verges. We also looked at the primary school and a preschool there, which were just on Crown land. Then we reached out to the community. There was a very positive engagement with the community over a couple of evenings where we have also offered free voluntary testing. We have sent our staff out to do some free testing and we are coming back to the community with those results.

**The Hon. MARK BUTTIGIEG:** That was 60 to 80 tests on public land, did you say?

**Mr BEAMAN:** Correct.

**The Hon. MARK BUTTIGIEG:** What about private?

**Mr BEAMAN:** I will have to come back with those because it is a voluntary opt-in. We asked people, "If you are interested and concerned we would be more than happy to come onto your property." We had to be invited onto their property and we collected samples from those properties. I can come back to the Committee with the latest numbers on that.

**The Hon. MARK BUTTIGIEG:** On 9 February, which was about a week after the initial announcement, the community preschool at Captains Flat was closed because it tested positive to elevated levels of lead. Have we had any other sites testing positive in that area?

**Mr BEAMAN:** Yes we have. There is an area to the south of the village—you go over a bridge and there is a pub on one side. Those areas are detecting high levels. When we have gone back through the historical photos the mine smelting works were actually on that part of the site. There are probably a couple of sources over time. One is going to be overland flow coming out of the old mine site. The other is that people have probably gone up to the mine in the past and picked up some soil off the side of the hill to fill and level their backyards. The other is the operation of the old historic smelting works at the site.

**The Hon. MARK BUTTIGIEG:** Have any other community facilities or public lands tested positive besides the school?

**Mr BEAMAN:** By "positive"—we use the national health investigation levels. The level for lead where you start doing investigations is at 300 milligrams per kilogram because lead is a naturally occurring element in the environment, so you will always detect some level of lead. But we start looking more seriously when it is above 300 milligrams per kilogram.

**The Hon. MARK BUTTIGIEG:** Are any community facilities or public lands above that amount?

**Mr BEAMAN:** I can take that on notice. We had a detect at the preschool and I am pretty sure we had a detect at the park, but I will take that on public notice.

**The Hon. MARK BUTTIGIEG:** As you pointed out, this mine closed in 1962 so we are talking 60 years. Why has that length of time elapsed for this to be detected as a problem and a threat to the community?

**Answer**

I am advised:

There are sites that have tested above this amount. A report on the NSW Environment Protection Authority's soil testing results for public land and community spaces is available at: [www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/community/21p2867-captains-flat-surface-soil-testing-report.pdf](http://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/community/21p2867-captains-flat-surface-soil-testing-report.pdf).

In 1962 the former Lake George Mine closed. Since the mine's closure, the NSW Government has undertaken significant work to manage the former mine site. Further works to manage lead from the mine are underway and more are planned under the Legacy Mines Program, administered by the Department of Regional NSW's Mining, Exploration and Geoscience Group.

**Mr BEAMAN:** I think the lead issue around the Captains Flat community has been known for a long time even though there have been various rehabilitation works taken at that mine site. That program is managed by the minerals and geosciences group inside Regional NSW, but there has been work happening on that site in terms of rehabilitation, as I understand it, since the eighties.

**The Hon. MARK BUTTIGIEG:** You are looking at that sort of time where people have known that this was an issue. We are still testing and there is still uncertainty around what has been exposed to lead, what has not, all that sort of thing. You can understand people's concern at the EPA? So what protections are in place for this sort of thing happening?

**Mr BEAMAN:** During those community drop-ins, lots of people in the community were fully aware of the issues around lead in that community. When we had the detection that we identified—that Transport for NSW identified, we have taken it on ourselves to actually go that next step and test right across the community. It was pretty thorough testing. So we can give the community some really good advice and measures so they can be really fully informed. I think it was a good opportunity where we stood up and done that testing for the community.

**The Hon. MARK BUTTIGIEG:** Okay.

**The CHAIR:** Thank you. We will move to questions from the crossbench. I will kick off. In relation to the platypus, last year there was research by UNSW that basically suggested that populations of platypus were quite alarmingly sliding towards—at the very least deserved listings. Who can I speak to on the team in relation to platypus within the department? Firstly, what has happened within the department after that research paper has come out?

**Dr GRIMES:** Ms Molloy will join us and then Dr Kelly will probably join us as well. We will just gather her from the other room.

**The CHAIR:** Also, is there any Saving our Species money being spent on platypus at the moment?

**Ms MOLLOY:** Not at the moment. As part of our drought response from the drought particularly biting out in Western New South Wales in 2019 and then in the lead-up to the bushfires, but it was probably more around drought, we did divert some of our Saving our Species money to try to assist with capturing platypus that were struggling in some of the rivers. Some of them were put into Taronga Zoo for safekeeping while the drought was particularly bad.

**The CHAIR:** Could you expand on that a little bit further? How many platypus were needing to be rescued as a result of the drought?

**Ms MOLLOY:** I do not have specific numbers. Georgina, do you have any specific numbers? If you do not, that is okay. We can take it on notice.

**Dr KELLY:** I do not believe we have specific numbers on how many needed to be rescued, but platypus were rescued. In particular, the zoo cared for them so that they can have—there are Government-funded intervention areas at Dubbo zoo now set up for a potential breeding program and the rehabilitation of rescued platypi.

**The CHAIR:** Were the platypus rescued by wildlife carers and members of the public or was that a proactive government response to search for platypus that were suffering or in distress?

**Dr KELLY:** I will have to take that on notice, but there was certainly a program to proactively rescue potentially at-threat species, which would have included platypus, but I will get back to you on that.

**Ms MOLLOY:** In addition to that, we would have worked very closely with our DPI Fisheries colleagues, because at the time when the drought was biting, there was quite the rescue of native fish as well. So it would have been as part of that process as well, but we do not know specifically who. It was probably a combination of both, I imagine, Ms Faehrmann.

#### Answer

I am advised that the Department of Planning, Industry and Environment – Environment, Energy and Science Group works with key partners, including Taronga Conservation Society and the University of New South Wales, on State-wide platypus responses and the ongoing need for emergency collections.

In December 2019, Taronga rescued seven platypuses from Tidbinbilla Nature Reserve in the Australian Capital Territory. The platypuses were cared for at Taronga Zoo before they were returned to the nature reserve.

In early 2020, five platypuses were rescued by members of the public on the mid north-coast and handed to Aussie Ark. Following six months of rehabilitation, Aussie Ark released all five platypuses back into the wild near Gloucester.

**The CHAIR:** Those platypus that were rescued and taken to Taronga Zoo are you aware whether they have been released, if they are well enough to be released? Have they been released back into the rivers and where they were first rescued from?

**Dr KELLY:** I will need to check with our colleagues at Taronga and get back to you.

**The CHAIR:** I note that on the EES website in relation to platypus it does say that one of the key threats to platypus are yabby traps. I have had some people write to me with concerns about those. I think they are called Opera House-style yabby traps that in fact drown platypus. What is the department doing in relation to those yabby traps? Have they been banned right across New South Wales yet? I understand they drown other wildlife as well.

**Ms MOLLOY:** I think they are banned in certain parts of the State, but that is a matter for—it is under the Fisheries Management Act, so it would be a matter for Minister Marshall. I know there have been considerations around banning them across the State, but I am not sure where that is up to. We would need to talk to Minister Marshall or our Fisheries colleagues.

**The CHAIR:** If they have been banned in some parts of the State, have they been banned because of the impacts on wildlife?

**Ms MOLLOY:** I cannot comment on that. That is probably a question that Fisheries would have to answer.

**The CHAIR:** These yabby traps do kill platypus?

**Ms MOLLOY:** I am not fully up to speed on the data behind that, so again a question for—

**The CHAIR:** Somebody, surely, among the public servants before me would be able to elucidate why under "Threats", it states:

Entanglement in litter, especially discarded fishing line, and yabby traps cause many drowning deaths of platypus.

That is on the website, "many drowning deaths of platypus". But the only person who can ban them throughout New South Wales is the agriculture Minister. There is nothing the EES can do in relation to the fact that these yabby traps cause many drowning deaths of platypus?

**Ms MOLLOY:** Apart from encourage that to happen, I guess. But it is a matter for Fisheries— DPI Fisheries, because it is their legislation.

**The CHAIR:** The Biodiversity Conservation Act also tries to protect wildlife as well. Is that correct?

**Ms MOLLOY:** Absolutely. Yes.

**The CHAIR:** Have there been any attempts made by EES to the Department of Agriculture around ensuring that yabby traps are indeed banned in all waterways in New South Wales to protect platypus, or is it just within the agriculture Minister's department to act upon this?

**Ms MOLLOY:** I would have to take on notice what conversations have been had between the EES and DPI Fisheries in relation to this particular issue, but the banning of yabby traps would be a matter for Minister Marshall under the Fisheries Management Act.

#### Answer

I am advised that on 3 March 2021, the NSW Government announced the phasing out of opera house yabby traps in NSW from 30 April 2021. Questions about the phasing out of opera house yabby traps should be referred to the Hon Adam Marshall MP, Minister for Agriculture and Western New South Wales.

**The CHAIR:** Okay. We will pursue that tomorrow. Can we check then whether there has been any discussion around listing of the platypus as a result of the impacts of the drought and probably yabby traps on their population numbers?

**Dr KELLY:** The matter of listing is a matter for the independent Threatened Species Scientific Committee. I understand that there have been nominations to both the Commonwealth and the NSW Threatened

**The CHAIR:** That was last year, was it?

**Dr KELLY:** I am uncertain of the exact timing, but the nominations remain with those committees and no determination has been made to date.

**The CHAIR:** Thank you very much. In relation to the platypus, has there been research that has been undertaken by the department around numbers or anything you would like to tell us that the department has been doing in relation to the species?

**Dr KELLY:** As an unlisted species, the department does not do research on the platypus at the moment, because we have to prioritise our research. I understand that the zoo, though, works closely with the University of New South Wales. Their role is mostly around interventions and preparedness for that.

**The CHAIR:** Thank you. We will go now to Mr Field.

**Mr JUSTIN FIELD:** Mr Fowler, I will go back to the previous line of questioning. What was the rationale for redoing a risk assessment in December 2020? Was there a particular event or reason why you went and had another look at those sites and have published pre-December 2020 risk assessment results and post-December ones?

**Mr FOWLER:** Both the extent and the value of the information, there was more information becoming available to us, both around information on those sites but also the report that the EPA commissioned from Dr Andrew Smith, which had identified further potential risks and mitigations for logging in burnt areas.

**Mr JUSTIN FIELD:** I guess what confuses people is when they have a look at your risk assessment here and they have a look at the Plan Portal, it looks like some of these high-risk sites are in the works, potentially, to be targeted by Forestry Corporation. But then for those of us who watch the Plan Portal, we realise it is a relatively meaningless website in terms of giving us an indication of Forestry Corporation's intentions and actual plans. I have seen briefing notes and conversations through a call for papers where I know your organisation has raised concerns with Protocol 1 of the IFOA in terms of Forestry Corporation updating and maintaining the Plan Portal. Can you just outline to the Committee where you are in terms of addressing those issues? The community is very frustrated about how difficult it is. I want to get a sense of what actions you are taking and what are your expectations ongoing from Forestry Corporation to keep that up to date?

**Ms MACKEY:** We have had numerous meetings with Forestry Corp at an officer level, at a chief executive level, and we have even had the Chair of our respective boards meet. Certainly this issue of providing information in a timely way and doing that not only to us as the regulator but to being transparent in the way in which they are operating, we continue to raise that. We have recently again raised it as part of the conversations about returning to the IFOA. We have indicated very clearly to Forestry Corp that we will be holding them to strict compliance around the way in which they are required to operate and around the provision of information. Unfortunately the IFOA does not require long time frames in terms of advice to us as the regulator around when they are going in to harvest, so it is a very short time frame.

**Mr JUSTIN FIELD:** Are there specific time frames?

**Ms MACKEY:** It is two days that they are required to give us. We certainly did not even always see that it was two days in the past. We will absolutely be holding them to that and that will be our compliance matter that we take up with Forestry Corp. If they do not adhere to us we have continued to try to build a relationship with Forestry Corp over the last year, which is why we now have in place a range of mechanisms to share information through our officers to work together so that we have better insight into where they are heading to in terms of particular harvesting operations so that we can make sure that the appropriate oversight is in place from us as the regulator.

**Mr JUSTIN FIELD:** From the community's perspective I know they are watching the website a couple of times a day. It is very difficult to get a sense. Most government agencies you can register your interest and get updates, and notifications are there. Has that been discussed? Are there any requirements for the Forestry Corporation to notify other interested parties?

**Ms MACKEY:** We have certainly suggested that that would be a helpful thing to do in terms of keeping stakeholders informed, given that a large volume of the correspondence we have received raises this particular issue in terms of lack of transparency about what is happening when. To try to supplement the availability of information, as you indicated in the last set of questions, we took steps last year and we continue to update it; being transparent on our own website about which sites where, which compartments we are looking at, what inspections were taken so that you can see the activity that is taking place. We are also transparent around what sites-specific conditions—what compartments we were looking at specific conditions for and where we are at with that process of site-specific conditions for those sites when that was a current activity that we were doing.

**Mr JUSTIN FIELD:** Okay, thank you. I might move on, if I could. Ms Molloy, this question might be for you. It is regarding the Local Land Services [LLS] review of land clearing issues. Particularly just by way of introduction, of course, the NRC did a review of the LLS, biodiversity reforms generally, and how the code was operating. It was quite scathing in its report that described the law as a statewide risk to biodiversity, if I recall. You come in or part of the Government comes in for some specific involvement in implementation of recommendations, in particular number three:

The NSW Government undertake an immediate review of Part 3 (pasture expansion) of the Land Management (Native Vegetation) Code ...

I think the agreement was for that to be reviewed as part of the three-year review. I understand that is due about now. What is the status of that? What is your involvement in that review?

**Ms DUMAZEL:** We are doing preparatory work for the review. The Government is committed to the review and we will be looking at the land management code and issues raised in the audit report and the NRC report.

**Mr JUSTIN FIELD:** Okay. I will come back to that if I can.

**The CHAIR:** Mr Pearson?

**The Hon. MARK PEARSON:** I am just going to return to the platypus. I want to use it as an example of trying to get our head around it. At what point does the environment department step in and give a directive to the Department of Primary Industries when it is either authorising or permitting or actually contributing to potential harm to a native animal? You said that the platypus is not an issue because of resources and that it is a DPI thing and that Fisheries oversees the Opera House trap, yet there is a great deal of evidence to say that not only platypuses but other wildlife die and drown when caught in the trap. At what point is there a trigger for your department to say, "Okay, well this is an activity which is permitted by another government department", such as DPI, "but it is actually harming an animal which is under our watch." At what point do you act?

**The Hon. CATHERINE CUSACK:** They are protected, actually.

**The Hon. MARK PEARSON:** That is right. They are also protected under the Biodiversity Conservation Act. Thank you, Ms Cusack.

**Ms MOLLOY:** They are protected under the Biodiversity Conservation Act.

**The Hon. MARK PEARSON:** How protected are they?

**Ms MOLLOY:** But they are not listed as threatened so they are protected like other native species are.

**The Hon. MARK PEARSON:** But they are protected.

**Ms MOLLOY:** They are protected. And I did not say there was not an issue. What I did say was that in order to ban Opera House traps, that is under the Fisheries Management Act and a matter for Minister Marshall and DPI Fisheries in order to make that happen.

**The Hon. MARK PEARSON:** So if there is a concern in your department that these animals are being harmed, which are animals under your watch under the Biodiversity Conservation Act, what steps are taken to at least notify or cause action in another government department which you are saying has the control and carriage of these things that harm these animals—regulating those things?

**Ms MOLLOY:** I am not sure we can issue a direction for something to happen but I guess at officer level between the agencies we can have conversations where they are warranted around impacts on species. There are also sort of governance committees that are cross-agency, particularly in—the marine estate management is a good example, where there would be conversations around impacts of various activities on different species, both aquatic and not aquatic. So I guess there are constantly conversations and various governance arrangements to allow those conversations to happen.

**The Hon. MARK PEARSON:** So what happens when your department is not happy with the outcome of the conversation?

**The Hon. PENNY SHARPE:** Bounce it up to the Minister.

**Ms MOLLOY:** Go another conversation.

**The Hon. MARK PEARSON:** Have another conversation.

**Ms MOLLOY:** I am not sure if Paul can help me out here. time.

**The Hon. MARK PEARSON:** I will now move on to exclusion fencing, but I do not think I have much Party.

**The CHAIR:** You have three minutes.

**The Hon. PENNY SHARPE:** Get the Minister to use his powers of consensus to work with the National

**Dr GRIMES:** May I assist on a matter like this, obviously, as Ms Molloy has indicated, it would depend

on the specific circumstances but I cannot see any reason why we would not escalate it if we felt that there was a need to escalate a particular issue. So that would be the normal approach.

**Mr BETTS:** Recognising the purpose of the legislation, which allocates to the agriculture Minister is among other things to conserve threatened species, so the legislation sets out clearly where those obligations lie.

**The Hon. MARK PEARSON:** It is an interesting conflict, is it not, because we have agribusiness, agriculture and their interests in using land et cetera. I am now going to go to another example where I think this same issue arises, and that is the exclusion fencing. For example, the Kangaroo Management Taskforce called for options for integrated kangaroo management in the western region. The report supports the use of exclusion fencing but acknowledges the dangers of kangaroos and other wildlife becoming trapped on the wrong side of the fence, unable to escape, and excluded from food and water. Commercial or non-commercial killing is the recommended strategy to address these welfare issues. Has your department raised concerns to the Minister about the Local Land Services promotion of, and Federal and State funding for, exclusion fencing that puts the free movement of wildlife at grave threat?

Now, we are looking at corridors of fences that are impenetrable for 50 to 300 kilometres. Could you imagine what impact that has on wild animals as small as an echidna or a spotted-nose numbat to the largest kangaroo if they cannot get through it? And we are looking at 50 to 300 kilometres of a wall. Have you sought advice as to what is and what could be the outcome for these wild animals?

**Dr GRIMES:** To the best of our knowledge, it appears the answer is no, but we will do some checking just to confirm whether that is correct or not.

**The Hon. MARK PEARSON:** I have been contacted by shooters and by some farmers actually on smaller properties saying that this is actually a very serious issue. There was a quote in *Queensland Country Life* and *The Land* that read:

No one can seriously argue these fences are being constructed just to stop wild dogs.

...

These fences are stopping kangaroos from moving around the landscape and they are physically killing themselves when they encounter these barriers. Imagine a kangaroo that sees a storm five miles in the distance.

It will literally exhaust itself to death trying to get through that fence trying to get to that storm. The animal welfare implications of treating animals like this are just not being recognised.

Those are comments coming from the Kangaroo Industry Association of Australia's John Kelly; the owner of Macro Meats, Ray Borda; shooters; and farmers. It is a broad concern. I am asking you and you have answered the question, but considering how serious this is becoming—it is starting to grow in New South Wales whereas in Queensland it is already a disaster fait accompli—how are we going to prevent such an outcome in New South Wales?

**Mr BETTS:** I think those are questions best directed to the Minister for Agriculture and Local Land Services.

**The Hon. MARK PEARSON:** Will you take it on notice for the Minister?

**Mr BETTS:** You can ask the Minister at the Agriculture hearing.

#### Answer

These questions should be referred to the Hon Adam Marshall MP, Minister for Agriculture and Western New South Wales.

#### (Short adjournment)

**The Hon. ADAM SEARLE:** My questions, I think, will be to Mr Hay or possibly Dr Grimes, if not to Mr Betts. I am referring to the budget paper that sets out the programs for the Planning, Industry and Environment cluster, in particular the reference to the Net Zero Plan stage one which sets out the Government's plan to reduce emissions by 35 per cent by 2030. That references the Net Zero Plan which was put on the DPIE website I think in March of last year. The background was that I asked the Minister some questions about the Government's emissions reduction strategy last year and the Minister said that the Chief Scientist & Engineer was doing some work and that report was imminent and that work would feed into the Government's objective on carbon emissions. That report from the Chief Scientist, I think, was the "Decarbonisation Innovation Study Scoping Paper" of March 2020. Unless I have missed something, I did not actually see the 35 per cent reduction target emerge from the Chief Scientist's work either in his March or his August paper. Can you tell us how the Government settled on

35 per cent as its emissions reduction target by 2030? Where did that figure come from?

**Mr HAY:** In preparing the Net Zero Plan we did kind of a bottom up. We looked at the trajectories for each of the sectors and we started with the accounting as how the Paris Agreement and the Commonwealth count. We wanted to work on that basis and we have modelled up what we think is achievable with the different programs in those sectors. That is how we arrived at 35 per cent being achievable whilst also being a target that is worth arriving at. There was a lot of modelling done around what each sector could contribute.

**The Hon. ADAM SEARLE:** Are you able to provide to the Committee the modelling that underpinned the paper? I am happy for you to take that on notice.

**Mr HAY:** I will take that on notice.

**The Hon. ADAM SEARLE:** I am not trying to be impolite about this, but having read the Net Zero Plan stage one, it is very high level and there are a lot of opportunities and challenges and current status being reported but it is very far from clear that the various strategies proposed in the paper lead mathematically, or even by some sort of process of reasoning, to 35 per cent. I understand that this is before the electricity infrastructure bill went through, and I appreciate that that may well make a significant contribution to what is now the Government's target. But I am just trying to understand what the inputs into this are. A lot of this paper talks about various programs that the Minister described this morning as still in development. What is it that the department has that it can share with us that can give us an insight and some confidence around that 35 per cent figure? I am happy for you and Mr Betts to take that on notice and come back with whatever you feel you can answer.

**Mr HAY:** As you said, you referred to the Minister's announcements of these, so there will be a little bit more that will help show the pathway. But we will take that question on notice.

#### Answer

I am advised that the Department of Planning, Industry and Environment undertook baseline emission projections and abatement modelling for proposed policies in the Net Zero Plan. The method was independently peer reviewed. The peer review confirmed the baseline and forecast assumptions, method and modelling approach were appropriate and reasonable, targeting the greatest impact across sectors.

Emission projections were derived by sector, consistent with international guidelines adopted by the United Nations Framework Convention on Climate Change (UNFCCC), using the categories adopted by the Commonwealth Government for the National Greenhouse Accounts.

All major sectors of the NSW economy were addressed in the modelling including electricity, transport, agriculture, on-site direct combustion, mining, industry, waste and land use and forestry. Baseline emission projections assumed no new emission abatement policies are implemented, with emission reductions resulting from proposed policies forecast against this baseline.

Net Zero Plan actions were forecast based on neutral (best estimate) assumptions to reduce annual NSW emissions by 35.8 million tonnes of carbon dioxide equivalent (Mt CO<sub>2</sub>-e) by 2030, with annual emissions reduced by 35 per cent on 2005 levels.

Where applicable, Commonwealth Government methods and tools were applied for abatement projections. For example, emission reductions achievable through actions to avoid food and garden waste being sent to landfill were modelled using the Clean Energy Regulator Solid Waste Calculator, based on counterfactual and proposed policy scenarios.

I also note that I have directed the NSW Environment Protection Authority to report on the Net Zero Plan and the 35 per cent emissions reduction objective in the State of the Environment Report.

**The Hon. ADAM SEARLE:** That would be very good. Last year I asked about the interconnector project with Queensland, I think it is the Queensland-NSW Interconnector [QNI], and I think the initial budget estimate for it was \$105 million. As of last year's estimates it was \$175 million. Can you tell us whether that has increased yet further?

**Mr HAY:** No. In the end the Commonwealth and the State jointly underwrote that process and our role was to accelerate the procurement process ahead of the regulatory process so that we could get the long lead time items ready to go, assuming we got regulatory approval. In effect, what the governments did is they did not put a dollar up-front, they just underwrote a negative regulatory decision. In the end the decision was a positive decision, so that project proceeded and there has not been any call on the underwrite from either the Federal or State governments.

**The Hon. MARK BUTTIGIEG:** Just back to some of these EPA compliance issues. I want to take you

to the Cleanaway blitz that occurred in 2020. Apparently there were 27 sites across the State which were inspected on the same day and our understanding is that three of those sites received fines, Rutherford, Wetherill Park and South Windsor. Were any other fines issued?

**Ms MACKEY:** I will just ask Ms Dwyer to come to the table. Her team led that campaign and did the follow-up actions. While she does that, would you like me to come back on Captains Flat? We have got a bit more information.

**The Hon. MARK BUTTIGIEG:** Sure.

**Ms MACKEY:** In terms of Captains Flat, I understand that Transport for NSW—we first wrote to them on 25 September 2020. In terms of the number of samples that we have taken on public and community land, that number is 80 and 14 of those samples have tested above the concentrations that Mr Beaman indicated. We have also done testing at 31 residential properties and that testing is still ongoing. As Mr Beaman indicated, there was a community meeting early in February and following that people are coming forward and seeking for that testing to be done, so we do not have the results for all of that particular line of testing just yet.

**The Hon. MARK BUTTIGIEG:** While we are back on that point, I think you said the threshold was 300 milligrams per kilogram. Is that right?

**Ms MACKEY:** I believe that is what Mr Beaman said; he is shaking his head.

**Mr BEAMAN:** They are not a threshold. It is not like a pass/fail number. The way the national guidelines work is there is a national environment protection measure for contaminated sites and they are called HILs, which are health investigation levels. So for lead it is 300 milligrams per kilogram. That is the point where you start investigating.

**The Hon. MARK BUTTIGIEG:** So that is roughly a third?

**Mr BEAMAN:** Fourteen of the—

**The Hon. MARK BUTTIGIEG:** No, I mean that for every kilogram—before you start investigating, a third of it has to be contaminated lead.

**Mr BEAMAN:** It is 300 milligrams per kilogram. It is not a third.

**The Hon. MARK BUTTIGIEG:** I am sorry, yes. What is that, 3 per cent or something?

**Mr BEAMAN:** Less than that, 0.03.

**The Hon. MARK BUTTIGIEG:** Alright.

**Mr BEAMAN:** Thanks.

**The Hon. MARK BUTTIGIEG:** So we are back to Cleanaway.

**Ms DWYER:** In terms of the Cleanaway work that was done, as a result of that campaign there is an ongoing regulatory program occurring at 25 of the 26 sites. That includes two penalty infringement notices, five warning letters—four that have been issued and one that is in draft—two official cautions, two advisory letters, eight confirmations of actions undertaken at sites, and 19 licences amended to change conditions around bunding stormwater, training, risk review and waste acceptance review.

**The Hon. MARK BUTTIGIEG:** According to the media release at the time, the Rutherford site was fined because you found waste storage drums that were unsealed, uncovered and unprotected, and containment areas were poorly maintained and one oil tank area had three separate leaks. The roof had numerous holes and it was rusted out. Had the EPA not previously issued a clean-up notice on this site in 2016 and a separate fine in the same year for the same incorrect storage of waste?

**Ms DWYER:** I do not have the 2016 history with me but I could find out.

**The Hon. MARK BUTTIGIEG:** If you could, that would be great. It would be good to know that because it would indicate that—notwithstanding a previous fine—things have actually got worse, and it is three years down the track and we are still no better off.

**Ms MACKEY:** It might be helpful—just in terms of that context, we undertook that campaign of Cleanaway because we were concerned about the number of sites they had across New South Wales, and we wanted to make sure that all the appropriate compliances were in place. It was quite a significant decision for us to take to undertake that campaign, and to do it simultaneously and to do it unannounced. It is not something that we—that decision-making was quite considerable for us, but the campaigns are certainly a mechanism that we are using more and more.

**The Hon. MARK BUTTIGIEG:** Sure. We have not got the information with us today but if that is

correct and the same sorts of things were happening in 2016—and then three or four years down the track it takes another raid and another fine just to get some amelioration—that would be problematic from your perspective, wouldn't it?

**Ms MACKEY:** I think it is absolutely problematic when licence holders do not adhere to the licence conditions that they have and are consistently noncompliant.

**The Hon. MARK BUTTIGIEG:** In terms of that latest action, what is the follow-up from that?

**Ms DWYER:** A number of those actions require ongoing work, so—

**The Hon. MARK BUTTIGIEG:** On the Rutherford site, I mean.

**Ms DWYER:** Oh, sorry, on the Rutherford site. I am not sure where we are up to on the Rutherford site but I can find out.

**The Hon. MARK BUTTIGIEG:** Okay, that would be good. In a general sense, if a site is found to be mismanaged in terms of waste or contamination, what is the EPA's process for following up and making sure that the issue is resolved?

**Ms DWYER:** In general terms—in a regulatory sense—if we are aware of a noncompliance, the severity of that noncompliance would decide what regulatory tool we use to require it to be resolved as promptly as possible. If it is minor, it may be a request like, "You need to remove that container and put it in a bund." If it is more serious, we may also back that up with a regulatory notice or requirement to act. Then we do follow-up inspections to confirm that the actions have been complied with.

**The Hon. MARK BUTTIGIEG:** Is the fine process at the end of that escalation level? "Do this, do that, you are not doing it—bang, fine!" Is that how it works generally?

**Ms MACKEY:** It is not how it works, and that is why it is always specific to the particular site and circumstance. We have a range of compliance actions that we can take, and Ms Dwyer has just talked about some of them that we took in that campaign with Cleanaway. There is no fixed pathway to get to a penalty infringement notice, any kind of letter or a prosecution.

**The Hon. MARK BUTTIGIEG:** It sounds a bit light touch, though, doesn't it? If we have got situations which are—there is another example here at Wetherill Park where they have apparently been fined previously for waste storage issues. Do we know how many fines have been issued by the EPA to the Cleanaway facility at the Wetherill Park site and in which years they occurred?

**Ms MACKEY:** We can get you that information and we can provide that to you throughout the afternoon. We obviously have 34,000 licensees across the State, so I do not have on hand all the information about where each of them are up to around their compliance or not. But I am happy to get that for you this afternoon.

**Ms DWYER:** In terms of severity of action, we have commenced court proceedings against Cleanaway for their ongoing noncompliance.

**The Hon. MARK BUTTIGIEG:** In terms of what got us to that, Cleanaway appear to be a serial offender over a long period of time. So for each of the Cleanaway sites that were fined during the blitz last year, do we know how many times EPA officers returned to the site to ensure compliance?

**Ms MACKEY:** It depends on the particular site, and we can take that on notice and give you details for each of the sites. We are certainly following up to make sure that any noncompliances, work that was required or changes that were required have happened.

#### Answer

I am advised that in 2020 the NSW Environment Protection Authority conducted one follow up inspection each for the two sites that were fined as a result of the blitz. An additional 21 follow up inspections have been conducted on sites operated by Cleanaway, its subsidiaries and joint ventures, 16 of these were in 2020 and five in 2021.

**The Hon. MARK BUTTIGIEG:** Do you think you are adequately resourced? This was raised earlier today in some of the questions. Are there enough compliance officers to go out and physically check these things, have a physical presence after fines have been issued and follow up?

**Ms MACKEY:** We are certainly resourced for the work that we undertake. As I talked about earlier today—

**The Hon. MARK BUTTIGIEG:** Sorry, Ms Mackey, you said you had thousands of licensees.

**Ms MACKEY:** We do, across all the legislation that we are responsible for. The number of environmental protection licences is much lower. I can get that figure for you. It is somewhere in my folder. They are really the sites that we are talking about in terms of the noncompliances. We certainly have a pool of authorised officers, as well as the additional expertise across the agency, to undertake all of our regulatory responsibilities. We have done quite a transformation in the past 18 months to try to better position us as an agency to fulfil our responsibilities across all the legislation that we regulate under.

**The Hon. MARK BUTTIGIEG:** To finish up on that Cleanaway blitz, have you met at a high level with Cleanaway management on these compliance issues? Has there ever been any engagement—meetings or follow-ups—with Cleanaway?

**Ms MACKEY:** There has certainly been engagement at an officer level, and our director responsible for the campaigns and significant investigations has met with the appropriate executives in Cleanaway. I met with the then CEO of Cleanaway towards the end of 2020.

**The Hon. MARK BUTTIGIEG:** I want to take you to what we would term another case study and that is the pet food manufacturer in Mulgrave, who has received a large number of odour complaints. Neighbours have been quoted in the media saying, "You can't breathe. It's like you're being gassed." Are you aware of this facility?

**Ms DWYER:** I am not aware of it.

**Ms MACKEY:** I am not necessarily aware of this facility.

**Ms DWYER:** Mr Beaman?

**Ms MACKEY:** Mr Beaman can possibly assist.

**The Hon. MARK BUTTIGIEG:** Sure.

**Mr BEAMAN:** Yes, Mr Buttigieg, I am aware of that facility. It is known as Premier Stockfeeds and its premises is at Mulgrave.

**The Hon. MARK BUTTIGIEG:** The EPA released a statement in February about the facility and the statement revealed that EPA officers had inspected the site six times in two years. Does that sound correct?

**Mr BEAMAN:** That sounds correct.

**The Hon. MARK BUTTIGIEG:** Have there been any more recent inspections?

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

#### Answer

The NSW Environment Protection Authority (EPA) last inspected Premier Stockfeeds on 16 February 2021. This was an unannounced inspection and was conducted with Blacktown City Council. The inspection on 16 February 2021 occurred after the EPA statement, which was released on 2 February 2021.

The EPA has carried out eight site inspections, four off-site odour surveys (without site inspection) and one off-site noise survey (without site inspection) in the last two years. Five of the eight site inspections also included an odour survey in the local area.

**The Hon. MARK BUTTIGIEG:** Okay. The EPA statement also says that even after six visits, the EPA cannot tie the odour issues—which I just outlined—to the facility. Is that still the case?

**Mr BEAMAN:** That was correct at the time of the media statement. During those inspections, the officers responded to the community complaints around odour. It is a small industrial estate, so there are a couple of other industrial operators around that site. On those inspections the officers have not detected offensive odour outside the boundary. That is the legal test that we have to judge against. That is what the law says. Nevertheless, we have been doing our compliance work on the premises and have directed that operator to do certain things on the premises to improve its housekeeping to minimise the risk of odour.

**The Hon. MARK BUTTIGIEG:** Sorry to interrupt you. While you are on that point—because it is pertinent—when you get a report of an odour, is the visit synchronised with that report so that it is in real time as much as possible, or is it after the fact?

**Mr BEAMAN:** Odour is notoriously difficult because odour usually tends to be somewhat driven—

**The Hon. MARK BUTTIGIEG:** By the wind.

**Mr BEAMAN:** —by weather conditions. So if you get enough—

**The Hon. MARK BUTTIGIEG:** Does that go to the point that if residents are reporting odour, it would be pertinent to go out there straightaway or as soon as possible?

**Mr BEAMAN:** We try to. There are no residents, I understand, around that Mulgrave estate. It is an industrial estate, so there are industrial businesses. The timing of the odours—the inspectors have gone at different times. We have not been able to establish that pattern.

**The Hon. MARK BUTTIGIEG:** So by and large—just so we are clear—there would not necessarily be an alignment of the time? You would probably go after the fact—maybe a day or a week? Would that be the most common occurrence?

**Ms MACKEY:** It depends on the particular complaint or incident. Part of what we have done is put in place what we call the hub, which is triaging all of the complaints and incidents that come into the EPA so that we can assess in terms of impact to the environment and risk to human health and respond to those accordingly and make sure that, internally, we are responding with people with the capacity and the capability to be as efficient as possible in that response.

**The Hon. MARK BUTTIGIEG:** When the compliance officers visit, do they actually visit the site per se, or just the surrounding area?

**Mr BEAMAN:** Both. We do both announced and unannounced. In relation to that particular site, the last time we were out there was on 16 February and we did a joint unannounced inspection with Hawkesbury City Council officers.

**The Hon. MARK BUTTIGIEG:** Separate to the ongoing odour issues, I understand a number of formal warnings were issued to this facility for failing to properly maintain or operate equipment and failing to maintain adequate stormwater management. Is that right?

**Mr BEAMAN:** Yes, correct.

**The Hon. MARK BUTTIGIEG:** So we have had two years of investigating this facility and we are still no closer to confirming where the odour is coming from.

**Mr BEAMAN:** And we are going to stay on it.

**The Hon. MARK BUTTIGIEG:** You could kind of understand the frustration, could you not, of people having to put up with this?

**Mr BEAMAN:** As I said, odour is quite difficult, from a regulatory perspective, to get that burden approved. The teams stick onto those issues until they are solved.

**The Hon. MARK BUTTIGIEG:** Again, there is no issue with resourcing and in being able to get people out there straightaway?

**Mr BEAMAN:** No. We can get people out there.

**The Hon. MARK BUTTIGIEG:** I want to take you to one more compliance issue, and that is Truegain in Rutherford. The EPA and the Minister have spent a fair bit of energy promoting the recent regulatory action taken against the owner of Truegain. A prosecution was announced in November, and three months prior a prohibition notice was served on the owner. In what year did the EPA first start investigating Truegain?

**Ms MACKEY:** Truegain have held a licence for quite a long time. I can get you the year—since 2000. We have certainly been monitoring and overseeing that licensee for a long period of time. The site was abandoned in 2016 and since that time we have continued to actively manage the site and engage with the licensee to try to ensure that pollution events do not occur and that the site is adequately managed.

**Ms DWYER:** Can I just clarify: The environment protection licence was actually issued in 1990.

**The CHAIR:** We will go to questions from the crossbench.

**Mr HAY:** Madam Chair, I just have one correction to one of the answers given to Mr Searle. Mr Searle asked this morning about the 3.5 billion and the source of that. We mentioned that it could have been from the MOU as well as the Climate Change Fund. I can confirm it is all from the Climate Change Fund. There is one minor error that we have found in the budget papers, which refers to the years 2020 to 2030. It is actually 2019 to 2030.

**The CHAIR:** Thank you. My question is in relation to threatened species, and particularly in relation to the impact of the Black Summer bushfires on threatened species, both flora and fauna. Have there been any changes to threatened species listings in New South Wales as a result of the Black Summer bushfires?

**Ms MOLLOY:** We might just need to get Dr Georgina Kelly in to answer that one.

**The CHAIR:** Okay. We will move to the Biodiversity Conservation Trust [BCT]. Recommendation 36 of the inquiry into koala populations and their habitat in New South Wales was:

That the NSW Government investigate the cost of purchasing the 18,565 koala species credits currently available in the biodiversity credit market, and facilitate their purchase and retirement from the market over the next two years.

The Government response was that this is supported in principle and that, in fact, the Biodiversity Conservation Trust is investigating the purchase of available koala species credits for offsetting for altruistic purposes. What is the update on that, Mr Elton?

**Mr ELTON:** Sorry, I was just coming into the room. Would you mind repeating the question?

**The CHAIR:** Sorry, I thought you were in the room. This is in relation to recommendation 36 from the koala inquiry, which was basically around the purchase of koala species credits and offsetting them for altruistic purposes. What is the update on that? The Government response said that that is under investigation.

**Mr ELTON:** Yes, that is correct. We are currently assessing expected demand for koala credits through the Biodiversity Offsets Scheme. Once we have completed that work, we are then going to look at whether we can invest in purchasing and retiring additional koala credits that are not required in the market as part of our ongoing investment in private land conservation.

**The CHAIR:** Could you explain what "assessing demand" means?

**Mr ELTON:** Through the Biodiversity Offsets Scheme some developers will, through their development consent, be required to purchase and retire a certain number of koala species credits.

**The CHAIR:** Because they are clearing koala habitat?

**Mr ELTON:** That is correct. But at the moment, the demand for those credits from such developers is very modest. There is a far greater supply of biodiversity credits available from landholders that have entered into biodiversity stewardship agreements [BSAs] than are needed by those developers. So we think there is an opportunity there to just do that as an investment in private land conservation from our government revenues.

**The CHAIR:** Yes, I think that was the whole point of the recommendation: to not have to satisfy that demand, if you like—to be able to retire those credits without having to then clear koala habitat to then save that koala habitat or to retire those credits. Yes? So when you say "assessing demand", how is that part of realising this recommendation, which was specifically for altruistic purposes?

**Mr ELTON:** I did not interpret the recommendation to suggest that that be done in lieu of offsetting the necessary koala credit obligations that developers may hold. The BCT does not have any control over the setting of those development consent conditions by consent authorities.

**The CHAIR:** It is possibly worth looking at the committee comment before all the recommendations, which was quite scathing about the fact that these koala species credits had to be basically used for offsetting the destruction of koala habitat. Dr Kelly, my question is around the impact of the Black Summer fires on threatened flora and fauna. Have there been any changes as a result of those fires to the listing of any threatened flora and fauna in New South Wales?

**Dr KELLY:** The listing is actually undertaken by the independent New South Wales Threatened Species Scientific Committee.

**The CHAIR:** But you would know whether there has been?

**Dr KELLY:** There have been no further determinations on the basis of the bushfire, though I understand that some nominations are under consideration, albeit that we know that 600 species of plants and animals had sightings in the bushfire-affected areas.

**The CHAIR:** So what has been undertaken? I know this time last year at budget estimates we were talking with the Minister about the surveys that had been undertaken post the bushfires. When will a lot of those surveys, if you like, become public? When will the public know really what has happened to some of our species? For example, I believe a CSIRO report has talked about some plant species that have been completely wiped out, something like 80 or so. Is the department conducting similar research and is it preparing, for example, a report about the impact—the potential devastating impact—on quite a few species?

**Dr KELLY:** As you would know, the intermediate bushfire response was recently released, which outlines actions that were undertaken right now. However, the scientists within—

**The CHAIR:** When was that released again?

**Dr KELLY:** That was released last Friday, I believe.

**The CHAIR:** Right, that recently.

**The Hon. MARK PEARSON:** No wonder I do not know about it. I feel better now.

**Dr KELLY:** The scientists within the Department of Planning, Industry and Environment contributed to the prioritisation of both animals, plants and communities listings, and worked, as you would know, with the Commonwealth expert panel to work out a prioritisation framework to target specific species for monitoring and recovery. I would have to say at this stage, given the nature of some of our plant species in particular, it may be too early to tell whether they will actually recover or need further interventions. But in the meanwhile insurance population seed banks and the like are stored by our colleagues at The Royal Botanic Garden such that if interventions are required they can take place at a future date. But at this stage the monitoring is on ground to determine the recovery of those species, and that is why the bushfire response is an intermediate one.

**The CHAIR:** Thank you. Again, for the Biodiversity Conservation Trust, another recommendation from the report said that the New South Wales Government should increase incentives available to private landholders under the Conservation Partners Program. It says that the response is that there is still scope within the program for more landholders to take up this offer. Why do you think there is that gap, if you like, and the fact that landholders have not taken up what is on offer? Why are landholders not rushing to do that? Is it because of the funding available? Do you think it is too low?

**Mr ELTON:** No, in fact my board has approved a funding allocation for Conservation Partners grants each year and that has been undersubscribed year by year to date. It is a bit difficult to know precisely why some landholders are not taking up the opportunity for grants. There are a large number who are and so far through our Conservation Partners grants we have invested in—I would have to check the number but it is of the order of 50,000 hectares of existing partnership conservation agreements. We have done a lot to promote the opportunity through our newsletter to our landholders, of which we have now over 2,000. Some have taken up the opportunity for grants in response to the bushfires last year. Some landholders simply do not have a need for grants, the condition of their property is in good health and they may not need funding to support them with things like pest and weed control and these sorts of opportunities. At the moment we have ample provision for grants and the uptake has been only a certain percentage of that.

**The CHAIR:** I will come back to that.

**Dr KELLY:** May I just correct the record? The report to which I referred is actually the medium-term response plan and it was released on 25 February.

**The CHAIR:** Thank you.

**Mr JUSTIN FIELD:** I will come back to the Local Land Services [LLS] land management review. Could you indicate the role that Environment, Energy and Science [EES] will play in that review and what its current status is?

**Ms DUMAZEL:** We have a board that is set up to oversee the review. That is a board that is co-chaired between our coordinator-general, Paul Grimes, and the Local Land Services CEO David Witherden.

**Mr JUSTIN FIELD:** The review that is in train, when is it likely to report?

**Ms DUMAZEL:** We have been doing preparatory work for the review and we have been undertaking that. We are just waiting on the finalisation of the final terms of reference.

**Mr JUSTIN FIELD:** The terms have not been set yet, so the review has not really started. I understand there is a three-year review. I think most of it will be focused on the code. There is also the statutory review at the five-year mark. Can you give me an indication of what is in and what is out in this three-year review?

**Dr GRIMES:** At this stage we can say that we are actively working with the LLS and progressing work towards the review. The formal terms of reference for the review are yet to be finally considered by Ministers. That will determine the final focus of our review, but we are not losing any time in continuing work with our LLS colleagues.

**Mr JUSTIN FIELD:** I am particularly interested in the fact that the NRC was pretty scathing, particularly around offsets effectively, but I think termed it in a different way—set asides. Pasture expansion was one of the elements of the code that was particularly heavily used in that review and so were the equity provisions. I think those were the two highest ones. I wanted to make sure that both of those were part of the review. Can I get some assurance—and I will ask Mr Witherden tomorrow as well; perhaps he has a bit more information—whether the whole code is being considered?

**Ms DUMAZEL:** In our preparatory work we are taking into account the findings of the NRC review, and also the audit report. Obviously, we are also thinking about what might be the full spectrum of issues in the three-year review. We are also thinking about what is the longer-term review because we have the five-year statutory review as well. We are certainly considering those previous reports in our consideration of the three-year review.

**Mr JUSTIN FIELD:** There are elements of the code that I think lapse at the end of this month. I think schedule 4 in particular was provided for for only three years and that set some caps with regard to clearing under equity. What is your understanding of what will happen to the elements of the code that I think sunset after three years—that ends this month—if the review has not been completed?

**Ms DUMAZEL:** My understanding is it is due to lapse this month and that will be a matter for the Minister for Agriculture.

**Mr JUSTIN FIELD:** Even though the code I assume had concurrence, effectively once it has lapsed, it has lapsed? There is no requirement for your Minister to agree to a new provision until such time as the review is completed and there are discussions about how it goes forward?

**Ms DUMAZEL:** We will certainly be reviewing the clearing caps. That will be one of the issues that we are considering as part of our review process.

**Mr JUSTIN FIELD:** Thank you. While we are at this point, Ms Molloy, this question might be for you as well. I am trying to get a handle on the involvement of your side of responsibility around the marine park under the Marine Estate Management Act and the review of marine parks. How much involvement do you have at the moment in the work that is going on in the development of new management plans and the pilot in Batemans Bay? It has dragged out now for quite some time. These management plans, I think the first one was originally supposed to be done back in 2018. The work plan has been pushed way right. Where are things at from your perspective? Do you have any involvement in the work that is being done to date?

**Ms MOLLOY:** Yes. DPI Fisheries has the lead on the development of the management plans, which I think have to be done by the end of this current year but I can double-check that, under the Marine Estate Management Act. There are a number of different committees and governance around management of the marine estate and at officer level we work very closely with our DPI Fisheries colleagues in informing the development of those plans. But at this particular point in time there are early drafts that we have been involved in, but I have not been briefed on them yet. I believe they are at officer level having discussions around what they look like.

**Mr JUSTIN FIELD:** They are not setting down zonings at this point; they are general principles for a management plan but when it comes to spatial management and zoning, the most controversial elements of these plans, you are not aware that drafts of those exist at this point?

**Ms MOLLOY:** I have not been briefed on that to date, so yes I suspect that that is coming over the next couple of weeks to me for consideration and then to brief the agency as well.

**Mr JUSTIN FIELD:** Obviously there has already been this amnesty; it has been applied, it has been in place for some time.

**Ms MOLLOY:** Yes.

**Mr JUSTIN FIELD:** Are we any closer, as you understand it, to seeing a regulation coming forward for your Minister's consideration?

**Ms MOLLOY:** I am not aware of that. I think the Minister has said that he will take on board the scientific information that he needs to make those decisions, but I am not aware of any further conversations in that regard at the moment.

**Mr JUSTIN FIELD:** I might then move back to some forestry questions, Ms Mackey, thank you. I particularly wanted to turn to—and I recognise we will probably get cut off relatively soon and we will come back to it—the koala call for papers, which I know your organisation spent a long time responding to, which contained quite a lot of information, including some briefs to your Minister. One of those related to forestry operation in koala habitat in the Lower Bucca State Forest and it is very clearly indicated here that Forestry Corporation had given an undertaking voluntarily to not log in unburnt forests that they subsequently went back on. I asked this question of the Forestry Corporation, and they were not very clear about whether or not they had given such an undertaking and were going to come back to me: Can you give me an indication, is that your understanding of the undertaking that Forestry Corporation had given?

**Ms MACKEY:** Yes.

**Mr JUSTIN FIELD:** Okay. Thank you.

**The CHAIR:** Questions from Mr Pearson.

**The Hon. MARK PEARSON:** I call Dr Atticus Fleming.

**The CHAIR:** There is confusion about the "Dr" and "Mr", but it is "Mr", apparently.

**The Hon. MARK PEARSON:** I was actually going to ask what doctorate you have.

**Mr FLEMING:** It is honorary so I do not use it.

**The Hon. MARK PEARSON:** How many dingoes were killed by 1080 baits in New South Wales national parks during 2020?

**Mr FLEMING:** Can I go back and answer a question you asked earlier in the day? You asked me how many baits had been dropped in 2020. The answer to that is approximately 353,000. You asked a follow-up question and I just wanted to say obviously feral animal control, particularly lethal feral animal control, is not something—we would prefer not to do it, naturally. Feral animal control is undertaken because we are trying to protect our native species and prevent more extinctions. I just wanted to be clear about that while we were talking about feral animal control.

The baiting that we undertake, there are really two purposes: obviously fox control, because foxes are one of the key drivers of native animal declines and extinctions; and we also have a statutory duty to control wild dogs, so that is also part of the baiting program and that is a statutory obligation on us. But, again, in relation to the control of wild dogs, we aim to be as targeted as we can, so we target high-risk areas. We are conscious of not baiting in areas which are not high risk, so we are aiming to minimise the impact on wild dogs while still giving effect to our statutory obligation. I cannot answer your question about exactly how many foxes or dingoes or wild dogs were killed by either baiting.

**The Hon. MARK PEARSON:** What is the main company that produces 1080?

**Mr FLEMING:** I am sorry, I would have to take that on notice.

**The Hon. MARK PEARSON:** Is it FOXOFF?

**Mr FLEMING:** I would have to take that on notice, sorry.

#### Answer

I am advised that Animal Control Technologies Australia is the main company that supplies 1080 in Australia, although it is manufactured in the United States of America.

FOXOFF is the name of a specific 1080 bait produced by Animal Control Technologies Australia for fox control.

**The Hon. MARK PEARSON:** Are you aware of any pressure from the company that produces 1080 to try and prevent research and development into alternatives or even to have an analgesia and anxiolytic included in 1080 poisoning?

**Mr FLEMING:** I am certainly not aware personally of any pressure and I would reject it entirely. I think everyone in conservation wants to be effective in terms of feral animal control, but we also want it to be as humane as possible.

**The Hon. MARK PEARSON:** I remember you gave an answer when Minister Kean could not answer the question as to whether he had ever seen a dingo, a dog or a fox die from 1080. You said you had.

**Mr FLEMING:** I have seen video footage of it.

**The Hon. MARK PEARSON:** How long does it take a dingo to die?

**Mr FLEMING:** Again, I cannot answer that question—not off the top of my head. I am happy to take it on notice.

**The Hon. MARK PEARSON:** Would the department know?

**Mr FLEMING:** There would have been some science done, I would expect.

**The Hon. MARK PEARSON:** So you can take that question on notice?

**Mr FLEMING:** Yes.

**Answer**

I am advised that according to the 1981 CSIRO study 'The sensitivity of Australian animals to 1080 poison II. Marsupial and eutherian carnivores' by John McIlroy, it takes 5.3 to 10.8 hours.

**The Hon. MARK PEARSON:** When you say "feral animal control", at what point did the dingo become a feral animal?

**Mr FLEMING:** Our primary driver in terms of feral animal control is fox control. We also have a statutory obligation under the Biosecurity Act to undertake wild dog control. That is driven primarily by the desire to limit the impact of wild dogs on pastoralists and farmers and neighbouring properties.

**The Hon. MARK PEARSON:** Are dingo and wild dog management actions limited to the perimeter of national parks in New South Wales?

**Mr FLEMING:** I can get you more specific information, but what I can tell you today is that we aim to be targeted in the sense that there are high-risk areas which are typically the interface with private land and there are areas where we avoid baiting, which are typically the more remote areas—I am saying "typically" because I am generalising to an extent.

**The Hon. MARK PEARSON:** Has there ever been a study looking at the difference between the impact of introduced wild animals or some wild animals—such as dingoes and possums—on native flora and fauna compared to the timber industry, the mining industry, agribusiness and housing development?

**Mr FLEMING:** I am not aware off the top of my head of any specific study like that, but I will take that on notice because obviously there are many different studies out there.

**The Hon. MARK PEARSON:** It is complex.

**Answer**

I am advised that the Department of Planning, Industry and Environment – Environment, Energy and Science Group is not aware of any published studies comparing the relative impacts of introduced animals on native flora and fauna with impacts from the timber industry, the mining industry, agribusiness and housing development.

**Mr FLEMING:** There is certainly a lot of research on the impact of feral animals on native wildlife. Cats are the most topical; there is a lot of research in the last few years that demonstrates we are talking about 1½ billion, roughly, native animals killed by feral cats every year. There has not been as much work on foxes, but there is enough work to demonstrate that foxes have a very, very significant impact on our native wildlife and, between the two of them, they have caused most of the extinctions in Australia—and, of course, Australia has the worst mammal extinction rate in the world.

**The Hon. ADAM SEARLE:** I have got some questions for Mr Cleland, who will need some time to come in. So while Mr Cleland is coming in I have got a question for Mr Betts about the gender pay gap. Mr Betts, are you the cluster secretary for Planning, Industry and Environment?

**Mr BETTS:** Yes.

**The Hon. ADAM SEARLE:** I know this is the estimates for Energy and Environment, but my question is this: If you can, for the cluster what is the current pay equity gap?

**Mr BETTS:** I do not have that information for the cluster. I have got it for executive grades and I will source that information now, if I can.

**The Hon. ADAM SEARLE:** Okay.

**Mr BETTS:** The picture there is across different executive bands. Broadly speaking, band 3, which is the most senior band, there is a small, on average, higher salary for female band 3s than there is for males; it is about \$1,000, \$2,000. The picture is different at band 2, where there is quite a significant gap between male and female averages and—

**The Hon. ADAM SEARLE:** Mr Betts, I do not wish to interrupt but maybe you could take this on notice because we have only got a short time. What I would really like to know is for the cluster, by division or by agency—whatever is best—what is the gap overall and what is the gap by senior executive band [SEB] grade.

or its equivalent, both by division and across the whole of the cluster. I would also like to know what is the top and bottom pay for a male and a female in each of those grades, just so we can get the averages—obviously, it will be different at different parts of the organisation.

**Mr BETTS:** The top and bottom pay for each grade? I just want to make sure I understand the question.

**The Hon. ADAM SEARLE:** If you have got SEB band 2, band 3, band 4 or band equivalents, if you have got a number of male and female employees at that level, obviously the highest paid male and the bottom paid male, the highest paid female and the bottom paid female in each of those grades.

**Mr BETTS:** Okay.

**The Hon. ADAM SEARLE:** And also, if you can, the number of average direct reports? Because, not so much for your organisation but for different parts of the public service, I am getting reports of people ostensibly at the same grade, not only at different parts of the grade in terms of the pay, but having vastly differential reporting numbers of staff to them.

**Mr BETTS:** That would be right. Some grades are heavily operational, others are not.

**The Hon. ADAM SEARLE:** Understood. Happy for you to table it.

#### Answer

Please see the response to Budget Estimates supplementary question 45 from the hearing on 2 March 2021.

**Mr BETTS:** That might be quite onerous but we will see. We will get you the best information we can.

**The Hon. ADAM SEARLE:** Get me the best information and we can come back to that. Mr Cleland, good to see you again.

**Mr CLELAND:** Nice to be here.

**The Hon. ADAM SEARLE:** Excellent. Last year we asked you some questions about proposed job cuts. There was the discussion we had around the ministerial direction about the 182 jobs and I think that was off the table. Can you tell us how many job reductions is your organisation considering either in the current financial year or over the next two financial years?

**Mr CLELAND:** Mr Searle, thank you for the question. You will need to bear with me because there are a few moving parts to this.

**The Hon. ADAM SEARLE:** I am very patient.

**Mr CLELAND:** Thank you. When I spoke last year I talked about Essential Energy having identified 2,500 employees being the efficient level for Essential Energy and currently being at circa 3,000, and we remain at circa 3,000. The 2,500 I should say is on a like-for-like basis, so it does not include any additional employment we create within the business or other ways of keeping people employed. There are a number of initiatives we are pursuing in that regard. The 2,500 we talked about achieving by 2024, so the end of the current regulatory period. In light of the COVID pandemic, the direction that was in place until 20 August 2020 and, of course, the bushfires, it is very unlikely we will now achieve that target. If we are to reach 2,500, it would be some time beyond 2024.

As previously stated, our preference is to see that happen to the greatest possible extent, by way of natural attrition and voluntary redundancies as opposed to forced redundancies. In regard to the part of your question relating to redundancies during the current financial year, we have no intention of making any employee forcibly redundant in the current financial year. We have, since 1 January, opened up or been prepared to consider voluntary redundancies. To date, on the best information I have, we have had in the order of 21 applications; only three of which have thus far have been accepted, the majority of which have already been rejected.

**The Hon. ADAM SEARLE:** How many VRs are you trying to achieve, potentially?

**Mr CLELAND:** We do not have a target.

**The Hon. ADAM SEARLE:** Just see who walks in the door.

**Mr CLELAND:** We are very much focused on only utilising VRs where there is a genuine opportunity to achieve a net reduction in our headcount, and therefore a reduction in our overall level of cost. I said there would be no forced redundancies in the year to 30 June 2021. In the year up until the end of the financial year 2022 there will be no field-based redundancies. In the current regulatory period there will be no redundancies in what we classify as small depots, so small regional communities, and communities in western New South Wales. Also, in the current regulatory period there will be no depot closures.

**The Hon. ADAM SEARLE:** How many redundancies otherwise are you considering in the financial year to 30 June 2022.

**Mr CLELAND:** I do not have a number and let me explain why. We have said that we believe the efficient level for the organisation is 2,500 and we will achieve that at some point beyond 30 June 2024. We are undertaking, as I have explained before, an extensive transformation program, which involves the implementation of a new enterprise resource planning system and a new enterprise asset management system along with a series of other initiatives. It is not until such time as those new systems are implemented are we in a position to assess what efficiencies can potentially see some level of forced redundancies.

**The Hon. ADAM SEARLE:** But you do not have a number.

**Mr CLELAND:** No.

**The Hon. ADAM SEARLE:** So it could be 200, 300, 500, 100?

**Mr CLELAND:** We are 3,000 today and I have already stated we are aiming to get to 2,500 on a like-for-like basis some time beyond 30 June 2024, so clearly it is not going to be 500.

**The Hon. ADAM SEARLE:** What does "like-for-like basis" mean?

**Mr CLELAND:** What I am saying is that on a like-for-like basis, so on the assumption that we do not create any additional opportunities for employment within the business. Recently we have established a—and this is just an example—telecommunications business unit, which currently has 11 full-time equivalent positions budgeted within it, seven of which are occupied. Those seven individuals have come from within the business from other roles and will now focus their time on leveraging our existing fibre-optic network and seeking to achieve new revenue streams, new investment opportunities and new opportunities for employment from that fibre-optic network.

**The Hon. ADAM SEARLE:** Is that the dark fibre that the network owns? Is that what it is called?

**Mr CLELAND:** It is the fibre-optic network, yes.

**The Hon. ADAM SEARLE:** On that, last year in these proceedings you indicated, I think at page 73, 13 September 2019, "We are not in the contestable market and have no immediate plans to enter the contestable market." But subsequent to this exchange between yourself, Mr Buttigieg I think it was and myself you have now had some further thoughts about the unregulated work that your employees might be able to do, where you might be able to grow the business?

**Mr CLELAND:** To be very clear, there are two separate issues here.

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

**Mr CLELAND:** What I alluded to this morning was that we are challenging—we have challenged our own definition of what is and is not contestable. So there will be more work we will now do as non-contestable that we might previously have classified as contestable. There is work on zone substations, so high-voltage work and specialised work, particularly for customers of the network who are expanding where we will do that work on their behalf in house and utilise our own resources. There is quite a few thousand hours of work that we have done in the last year or so in exactly that vein.

**The Hon. ADAM SEARLE:** So this is work you can charge additional for?

**Mr CLELAND:** Exactly, exactly. The second element of that is whether we would actually enter the contestable market and compete with accredited service providers. As I have said in these proceedings previously, we need to be very careful in that regard that, firstly, we do not enter that market and do so at a loss and, secondly, that Essential Energy entering that market creates no additional jobs; it simply transfers jobs from the private sector to a government-owned utility, which is not necessarily a great outcome and it certainly does not achieve any additional jobs in regional, rural or remote New South Wales.

**The Hon. ADAM SEARLE:** Enterprise bargaining—when does your current award expire, or your current agreement?

**Mr CLELAND:** On 30 June 2021.

**The Hon. ADAM SEARLE:** Okay, so you are about to enter or you are just about to start bargaining with your workforce and their unions, is that correct?

**Mr CLELAND:** Correct. We have a delegates meeting within the next fortnight.

**The Hon. ADAM SEARLE:** Okay. So does the Government's wages policy apply to your organisation, not strictly in the legal sense but through a ministerial direction or through board policy?

**Mr CLELAND:** I am not even going to take that question on notice because I do not think there is a simple answer to it. Let me put it this way—

**The Hon. ADAM SEARLE:** Let me ask you some further questions.

**Mr CLELAND:** Let me put it this way: We have always sought to work within the Wages Policy Taskforce guidelines, and we have always reported our contract and enterprise agreement outcomes or proposed outcomes to the Wages Policy Taskforce.

**The Hon. ADAM SEARLE:** And, of course, the Treasurer and the finance Minister are your shareholding Ministers.

**Mr CLELAND:** Exactly.

**The Hon. ADAM SEARLE:** On that, last year you would be aware that with the public sector there was a political dispute. The outcome was 0.3 of a single per cent wage rise for public sector workers—teachers, nurses, paramedics, cleaners—everyone in the public sector got 0.3 of a single per cent. The Government has announced that the 2.5 per cent wage cap that previously applied, it would seek to scale that down to 1.5 per cent from 1 July 2021.

**Mr CLELAND: Indeed.**

**The Hon. ADAM SEARLE:** Are you going to take that same bargaining approach with your workforce in the current enterprise agreement negotiations or will you stick by the pre-existing wages policy framework? Or, what is your framework for negotiation?

**Mr CLELAND:** Let me answer that in two parts. Firstly, our current enterprise agreement is effectively CPI linked. Sorry, it is CPI linked with a cap on a floor, so specifically our enterprise agreement employees get a salary increase which is inflation capped at 2.5 per cent and collared or floored at 2 per cent. Going forward in the new enterprise agreement, we will seek to maintain the philosophy of linking our increases to CPI.

**The Hon. MARK BUTTIGIEG:** So how does that gel with the State wages policy then? If we are stuck down at 0.3 per cent and you are saying that your enterprise agreement is linked to—

**Mr CLELAND:** I do not think the 0.3 per cent is relevant to our enterprise agreement because it was on foot when that was announced. The potentially relevant issue is the 1.5 per cent cap going forward. There are two points. Firstly, the objective is that the initial approach, if you like, is to have our enterprise agreement once again linked to CPI. We need to negotiate an agreed position with our employees and their union representatives to determine what that band will be. If that band is in excess of 1.5 per cent, which is the proposed—

**The Hon. ADAM SEARLE:** Well, inflation is 1.7 per cent, as a matter of record.

**Mr CLELAND:** —Wages Policy Taskforce limit, then my job will be to go back to the Wages Policy Taskforce and argue the case for a potential CPI-linked increase with a cap beyond 1.5 per cent on the basis of the productivity improvements we are achieving through our transformation program.

**The Hon. MARK BUTTIGIEG:** Mr Cleland, I might just take you to some of the lines of questioning we had to the Minister this morning, who was very conscious of pointing out his responsibility for the provision of safe and reliable electricity supply notwithstanding the loss in dividends and all the rest of it that we went over this morning. I just want to get your opinion on—does there come a point in time where the regulatory environment within which you operate—I am talking about the Australian Energy Regulator now. I understand you are getting the amount you can claim back from the retailers chiselled year on year. How did you go this year, by the way, in terms of regulated income you were able to claim back? Was there a reduction?

**Mr CLELAND:** Well, we are within a five-year regulatory period at the moment, during which there is an 8 per cent real reduction in our distribution charges—so our total cost base, if you like. That five-year regulatory period is 2019-24 so I cannot answer how we went this year because it is within a five-year period. What I have said—

**The Hon. MARK BUTTIGIEG:** But there was a reduction for this current regulatory period.

**Mr CLELAND:** Yes.

**The Hon. MARK BUTTIGIEG:** The large part of that reduction—and some of it is because of what we have discussed in terms of your willingness to get into the contestable market. Leaving that aside for the moment, a lot of that just flows straight through to job cuts, does it not? Because of the proportion of your labour book on overall costs.

**Mr CLELAND:** I think I would couch it in terms of ensuring that we operate at the most efficient possible level to minimise distribution charges to customers.

**The Hon. MARK BUTTIGIEG:** Well, let me put it another way, Mr Cleland: If you were not restricted by these regulatory cuts period upon period upon period, you could afford and probably would keep on more people, would you not?

**Mr CLELAND:** At risk of extending this conversation, let me just take a step back. We employ 3,000 people. There are 667,000 jobs that rely on our network. Across our network footprint there are 667,000 people in employment, all of whom—and so each of those businesses and individuals rely on a safe, efficient and affordable source of electricity to maintain their businesses and their viability. All of them in recent years have been severely impacted by increases in the cost of electricity and we as a business need to do everything we can to ensure we are operating at the most efficient level—so the lowest possible level of costs—to ensure that the work we do has the greatest economic enablement benefit in terms of the 667,000 jobs across our network footprint and the 40,000 forecasted increase in that number across the next five years.

**The Hon. MARK BUTTIGIEG:** Sure, I understand the trade-off, but does there not come a point in time when you have cut so far to the bone that it is actually deleterious and counterproductive? Now I want to take you to some of those things the Minister raised this morning in terms of the reliability indexes. We have got system average interruption and system average frequency interruption—SAIFI and SAIDI—which are the indexes that IPART publishes—or is it the AEO? I cannot remember which one now. In terms of judging whether or not these distributors are in fact providing a reliable supply, is it not true that for one-off events, which are now increasingly becoming much more than one-off events, organisations such as yourself—and Ausgrid and Endeavour are the same—do not actually include those one-off dramatic events, if you like, and those storm events into your reliability figures? And if you could articulate the criteria by which those things are exempt—

**Mr CLELAND:** You are referring to major event days.

**The Hon. MARK BUTTIGIEG:** Sure, yes.

**Mr CLELAND:** Major event days are determined by a certain number of customers off for a defined period of time or something to that effect. I can come back to you with the specifics. It is incorrect to say that that is a recent innovation. To the best of my knowledge, it has always been the case that major event days are excluded from these statistics and excluded from—

**The Hon. MARK BUTTIGIEG:** I was not suggesting it was recent. I was just pointing to the fact that they are actually excluded from the figures.

**Mr CLELAND:** That is indeed correct. Major event days are excluded from the figures because clearly they are major event days. If I can just—

**The Hon. MARK BUTTIGIEG:** Can I just put to you an example, Mr Cleland, just for the benefit of the Committee? I understand that one of the rules of thumb that Ausgrid uses, for example, and it is not even this granular—the Bureau of Meteorology apparently just has to deem it a major event and then the organisation can exclude it. But for the purposes of metrics, I know, for example, that Ausgrid uses 3.44 minutes per average interruption per customer and you satisfy the threshold for excluding it as a reportable incident to the regulator. So, for example, if you had 60,000 people off for a period of four hours, that actually may not be included in the statistics. In theory you could have one of them every day, 365 days a year, and it would be totally excluded. Do you accept that those reliability figures are not actually true reflections of what is happening, particularly given climate change and the increasing frequency of those events?

**Mr CLELAND:** I accept the point you are making. I think the figures are a fair representation of the performance of the networks, but clearly there is the provision to exclude major event days, which include storms and such like.

**The CHAIR:** I will just quickly say which issues I will cover so the public servants can come into the room if they are not here. I plan to ask questions in the next 10 minutes given to me in relation to wood heaters and air pollution, greenhouse gas emissions in terms of methane and the Pilliga coal seam gas project, as well as how land clearing complaints are dealt with, if we get there. So, woodfired heaters—firstly, the clean air strategy, which was scrapped last year, was supposed to cover the major sources of air pollution, which would have included woodfired heaters. How is the Government—who am I addressing this to?

**Dr GRIMES:** Probably the best person to address it to would be Dr Wilson or it might be a matter for the EPA. So between the two we would probably have things covered. Dr Wilson will be here in just a moment.

**The CHAIR:** Okay, yes, so woodfired heaters—how is the Government looking at controlling or setting standards or regulations around the pollution that woodfired heaters pose, without the clean air strategy?

**Dr GRIMES:** Dr Wilson has just come in.

**Ms MACKKEY:** I might pick up on the question that was asked about the clean air strategy earlier because that is relevant to this answer as well to confirm that, yes, that was correct. It was a question on notice. They have

provided a response around the EPA providing a draft clean air plan in May 2019. Due to machinery of government changes, responsibility for that moved to DPIE in July 2019 and DPIE now sits in terms of the imminent strategy that the Minister referred to this morning.

**The CHAIR:** The Minister said that a clean air strategy was imminent.

**Mr BETTS:** Correct.

**The CHAIR:** Will that clean air strategy address the issue of woodfired heaters and setting targets for reducing pollution from woodfired heaters?

**Dr WILSON:** I will answer that. The next step will be to release the draft clean air strategy for consultation, which is what the Minister committed to last year before finalisation and, yes, wood heaters are a major source of pollution, particularly in the greater metropolitan areas. So it certainly includes consideration of actions to address pollution from a range of sources, of which wood heaters are one.

**The CHAIR:** In terms of wood heaters, one of those areas is, of course, Armidale. Are you aware of the issue of woodfired heaters in Armidale?

**Dr WILSON:** I am aware of that, yes.

**The CHAIR:** In 2018 the national daily PM2.5 standard was exceeded 32 times in Armidale. Apparently most of that was due to woodfired heaters. What education or awareness does the department provide about the pollution and health issues posed by woodfired heaters?

**Dr WILSON:** I might refer that to my EPA colleagues who, I believe, run education campaigns.

**The CHAIR:** Current education campaigns?

**Mr FOWLER:** The EPA is not necessarily leading current education campaigns. However, local government has been provided with quite extensive resources around reducing wood smoke emissions. They were updated in 2018-19 following some extensive research around particle characterisation followed by social research in some of those more affected communities by wood smoke and wood heaters.

**The CHAIR:** Is there any specific resource that the Government is providing to particularly local councils like Armidale to help combat its severe air pollution problem as a result of woodfired heaters? Is there any specific action that the department is taking in relation to existing local councils?

**Dr WILSON:** Again, I understand that the standards were updated one or two years ago.

**Mr FOWLER:** That is right. The standards reflect the Australian Standards for efficiencies and wood heater emissions, and local government have that regulatory oversight around the tools that are required to address improper operation or impacts from wood heaters.

**The CHAIR:** Is there any suggestion that they will be phased out over a period of time?

**Mr FOWLER:** Not that I am aware of.

**Dr WILSON:** There has also been an air monitoring station installed in Armidale since 2017. I am not sure of the exact date when it was installed.

**The CHAIR:** Yes, I think that is why I have those exceedances.

**Dr WILSON:** Yes, that is why you have got the data.

**The CHAIR:** I will move to greenhouse gas emissions in relation to coal seam gas. I refer to the Narrabri Gas Project. Are the fugitive greenhouse gas emissions from each project well, after each well will have been abandoned, being taken into consideration in terms of the overall greenhouse gas emissions of the project?

**Dr WILSON:** I am unable to answer that question, I am afraid. I will have to take that on notice.

**Answer**

This question should be referred to the Hon Rob Stokes MP, Minister for Planning and Public Spaces.

**Ms MACKEY:** Ms Dwyer might be able to assist as her team leads the regulation of that project.

**Ms DWYER:** The EPA has a comprehensive methane gas monitoring program for all coal seam gas activities in New South Wales. From the 2020-21 year until about two weeks ago when the numbers were updated, we had already undertaken 79 leak detection and repair inspections across New South Wales. We do that using an optical gas monitor which is incredibly sensitive that can scan multiple pieces of infrastructure, including wells

and/or gas gathering lines or compression facilities right across the State. My recollection—I will confirm—is that there were no leaks from any of those 79 inspections that we conducted and that inspection will be put on Santos' licence which requires them to monitor all of their infrastructure, I believe—I will check the numbers—at least once every six months.

**The CHAIR:** Those 79 leak detection and repair inspections were carried out over what time frame—and by people, I assume?

**Ms DWYER:** Yes. Our staff actually use the monitors. As I said, it can take on multiple pieces of infrastructure in any one inspection. And that is the 2020-21 dates as at about two weeks ago. The 2019-20 numbers were 129 inspections and in 2018-19 we undertook 183 inspections across the State.

**The CHAIR:** Are they from project wells that have essentially been abandoned—that is, project wells that are no longer in use?

**Ms DWYER:** It can be any piece of gas infrastructure.

**The CHAIR:** I have heard that project wells often can leak fugitive emissions afterwards for some time. That is obviously one of the reasons there has been opposition to coal seam gas. Is it commonplace for fugitive emissions to still be leaking from coal seam gas wells once they have been capped and dealt with?

**Ms DWYER:** Coal seam gas wells that have been capped and rehabilitated need to be rehabilitated in line with the code of practice for rehabilitation. And that takes into consideration the best science available to manage any of those completed wells to protect against any range of ongoing environmental issues, including gas or water.

**The CHAIR:** Is the result of the inspections that you undertake made public?

**Ms DWYER:** I am not sure. When we are meeting with what was the Narrabri Community Consultative Committee we were very open and transparent about any inspections we were doing or follow-up on any complaints we were handling. Of course, that is now transitioning into a new process with a new consultative committee. When that committee is appointed and up and running we will be able to work through what is the best way to provide that information to them and what they are, in particular, after.

**The CHAIR:** So the information is not provided publicly but the consultative committee sees those results

**Ms DWYER:** The consultative committee gets a range of information based on what it has been after.

**The CHAIR:** What is the percentage of leaks overall in terms of what you inspect? Do you have that?

**Ms DWYER:** I do not have that with me today. I think, from the 2020-21 data, that there have not been any leaks detected by the EPA inspections.

**The CHAIR:** Will you provide that on notice? You said you have been doing it for three years, is that correct?

**Ms DWYER:** I have got three years worth of data in front of me but I think we have got it for a little bit longer. The monitoring technique has changed in that time but we can certainly pull that data.

<b>Answer</b>			
I am advised:			
<b>Financial year</b>	<b>Leak Detection and Repair (LDAR) inspections</b>	<b>Leaks detected</b>	<b>Percentage of leaks</b>
2018–19	183	6	3.3%
2019–20	129	0	0%
2020–21 to 11/03/21	97	0	0%

Prior to 2018–19 LDAR testing wasn't separated out from other inspections.

**Mr JUSTIN FIELD:** Ms Mackey, I will go back to where I left it last time. You indicated it was your understanding that Forestry Corporation had given an undertaking in the middle of last year, a few months after

the fires had concluded on the South Coast, to not log in unburnt forests. Will you indicate what form that undertaking took?

**Ms MACKEY:** That undertaking actually occurred over a matter of months. The first undertaking was some time in October 2019. Those undertakings were still occurring well into the first quarter of 2020.

**Mr JUSTIN FIELD:** Were they in writing?

**Ms MACKEY:** They were not in writing. They were at official meetings between ourselves, Forestry Corp and Regional NSW.

**Mr JUSTIN FIELD:** I assume that minutes would have been taken at those meetings?

**Ms MACKEY:** There would have been a range of minutes and action items. They may or may not be formal minutes in terms of who said what but the purpose of those meetings was to work through what is the pathway we are going to take, given the impact of the fires. In fact, what came out of those meetings was the move towards site-specific operating conditions.

**Mr JUSTIN FIELD:** At what point did they indicate that they would no longer comply with that undertaking?

**Ms MACKEY:** I would have to seek advice on that.

**Mr FOWLER:** It was in early 2020 and my understanding is they moved back into those operations in Lower Bucca, in particular—

**Mr JUSTIN FIELD:** Lower Bucca—the koala.

**Mr FOWLER:** In the first half of 2020.

**Mr JUSTIN FIELD:** In the briefing note there is a suggestion that, although Forestry Corporation triggered force majeure clauses in the wood supply agreements, their opinion was that it may not apply to unburnt areas. They were concerned that if there was a direction not to log unburnt forests that could be taken as a government decision and make the State liable for compensation. DPI has been asked to clarify this legal interpretation—is the quote in this briefing note. Have you ever seen that legal advice? Do you know if it was ever obtained?

**Ms MACKEY:** I am certainly not aware that that legal advice was shared with us, but we will go back and confirm.

**Mr JUSTIN FIELD:** Because the legal interpretation was not clear from this briefing, do you know on what basis they had formed the opinion at that point?

**Ms MACKEY:** I do not.

**Mr BETTS:** That is a matter for the Department of Primary Industries and the Forestry Corporation and their supply agreements, not something the EPA would have visibility on.

**Mr JUSTIN FIELD:** Sure, but this is a briefing to your Minister. It is pretty significant given that this interpretation seems to be related to the reason why they went back into unburnt forests, including some critical koala habitat. From your understanding, then, there was no resolution of this question about the legal interpretation.

**Ms MACKEY:** That certainly was not the focus of our engagement with them at the time.

**Mr JUSTIN FIELD:** Okay, thank you. If I could ask Mr Fleming, I have some questions about the Warragamba Dam project in particular. Are you a member of the Warragamba Dam coordinating group?

**Mr FLEMING:** I do not know if I am a member of the group. I have attended various meetings to discuss the dam, but I do not know what the name of the group was.

**Mr JUSTIN FIELD:** Is there a special handshake?

**Mr FLEMING:** I have not been to one for a few months.

**Mr JUSTIN FIELD:** You have attended some of the meetings, though.

**Mr FLEMING:** I have attended meetings, yes.

**Mr JUSTIN FIELD:** At those meetings, do you know if there has been any discussion of the potential for re-designating the project as critical State significant infrastructure?

**Mr FLEMING:** I cannot recall, but that would not be a matter for me to be part of the discussion.

**Mr JUSTIN FIELD:** Fair enough. Obviously your department, National Parks and Wildlife Service

[NPWS], made some relatively strong comments in the non-adequacy review—it was not a formal adequacy review—of the draft EIS. Have you come to any final arrangements with WaterNSW on how your concerns will be addressed in the final EIS at this point?

**Mr FLEMING:** I should clarify that the assessment of the project is obviously a matter for the Planning section of DPIE.

**Mr JUSTIN FIELD:** Sure.

**Mr FLEMING:** The interest of National Parks is the fact that national parks will be impacted by the proposal. I will not say we have come to any final arrangements, but we have continued to work with Planning and with the proponent in terms of providing our input on the assessment.

**Mr JUSTIN FIELD:** So you have provided additional advice since the—let us call it an adequacy review since it was pretty formal feedback that you provided. You have provided additional advice since then.

**Mr FLEMING:** I think there have been ongoing discussions, but I am not a part of the ongoing discussions other than a few meetings I have attended as part of the group.

**Mr JUSTIN FIELD:** Sure, but it is still the position of NPWS that all impacts in the upstream environment be considered direct impacts.

**Mr FLEMING:** We would expect there to be a rigorous and adequate assessment of the impacts on the national park and the World Heritage Area that is impacted. That has always been our position but I think that is also the position of the proponent, Planning and everyone else.

**Mr JUSTIN FIELD:** Let us put it this way: You would not support the idea of those impacts only being recognised after a flood occurs. In terms of a Planning decision and in terms of biodiversity offset requirements, those impacts are still considered direct by your organisation and they should be subject to biodiversity offsets.

**Mr FLEMING:** Again, the actual offset decision is one for the Minister for Planning and Public Spaces. To the extent that we have provided input, we have certainly said there needs to be rigorous assessment and there needs to be an offset. In addition to the biodiversity component of the offset, we have said there should be an offset that reflects the impact on the national park and the World Heritage Area as a protected area. That is a separate and additional offset to the biodiversity offset. That has been our position.

**Mr JUSTIN FIELD:** Have you put a figure on what you think that offset amount should be at this point?

**Mr FLEMING:** No. Again, just to clarify, the biodiversity calculation is not one that we do. I do not know to what extent National Parks officials have been involved in discussions around that, but that is something that Planning leads. We have had some discussions around the national park or the protected area offset, but not a figure. To the best of my knowledge, those discussions have been around compensatory land.

**Mr JUSTIN FIELD:** How would you compensate for a World Heritage Area in terms of land?

**Mr FLEMING:** One way of discharging an offset is to provide alternative land, an alternative addition to the protected area estate.

**Mr JUSTIN FIELD:** So specific sites have been proposed as possibilities?

**Mr FLEMING:** I think there have been discussions around what those options would be.

**Mr JUSTIN FIELD:** Have any additional ground assessments been done post-fires? I think we asked some questions about this in the inquiry and at that stage it was still pretty soon after the fires. Have they gone back in and done any ground truthing?

**Mr FLEMING:** I cannot answer that question. At the inquiry, the issue was whether the fires had effectively meant that any remnant vegetation that was going to be subject to flooding had assumed a greater importance as refuge in the landscape. We had made the point that it was important to assess that. As I understand it, it is now the proponent's responsibility to do that. Government, including National Parks, will then look at whether they have done a good enough job.

**Mr JUSTIN FIELD:** My understanding is that WaterNSW or SMEC have not done any additional ground surveys after the fire. Is that your understanding?

**Mr FLEMING:** I cannot answer that.

**Mr BETTS:** You had the opportunity to ask WaterNSW about that yesterday. Mr Fleming is not the proponent and it is unreasonable for you to expect him to be able to speak on behalf of the proponent.

**Mr JUSTIN FIELD:** Obviously you raised concerns in your adequacy review.

**Mr FLEMING:** Yes.

**Mr JUSTIN FIELD:** Have you been provided any additional information by WaterNSW that is the result of additional ground surveys that have been done post-fires?

**Mr FLEMING:** I do not know whether we have been provided any specific information at this stage, but my expectation is that information would be provided when the final draft EIS is handed in. It is at that point that we would assess, from the park's point of view, the adequacy of what has been done.

**Mr JUSTIN FIELD:** I am sure, but you just indicated that you have had ongoing discussions with the proponent. I would have assumed that, if they have done additional surveys post-fire that address your concerns, they would have been the subject of some of those discussions.

**Mr BETTS:** The purpose of those discussions, as you know because we talked about this yesterday, is in part to calibrate the proponent's expectations around what National Parks would want to see in a good EIS. That is so that those issues can be dealt with in that EIS before it goes on exhibition and do not have to be re-litigated in responses to submissions, including from the National Parks and Wildlife Service.

**Mr JUSTIN FIELD:** It sounds to me that it will be re-litigated, because it seems like the suggestion here is that National Parks and Wildlife might just end up having to make a submission to the public process at that point if they are not satisfied.

**Mr BETTS:** The responsibility of WaterNSW, informed by the advice from National Parks and Wildlife Service, is now to put forward the best EIS they can. That is their accountability, not Mr Fleming's.

**Mr JUSTIN FIELD:** I understand. Thank you, Chair.

**The CHAIR:** We will finish on that note. Thank you very much to all of the government officials for sitting through the whole day. The secretariat will be in touch in relation to questions on notice or any supplementary questions. Thanks so much and enjoy your evening.

**Mr FLEMING:** Is it too late to add one other thing?

**The CHAIR:** Yes, probably.

**Mr FLEMING:** It is providing an answer to a question that was asked earlier about horses. I just want to provide the final numbers. As of today, 446 horses have been removed and 253 have been released.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**