

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Thursday 5 September 2024

Examination of proposed expenditure for the portfolio areas

FINANCE, DOMESTIC MANUFACTURING AND GOVERNMENT PROCUREMENT, NATURAL RESOURCES

UNCORRECTED

The Committee met at 9:15.

MEMBERS

The Hon. Jeremy Buckingham (Chair)
The Hon. Robert Borsak (Deputy Chair)
Ms Abigail Boyd
The Hon. Greg Donnelly
Ms Cate Faehrmann
The Hon. Sam Farraway
Ms Sue Higginson
The Hon. Dr Sarah Kaine
The Hon. Stephen Lawrence
The Hon. Sarah Mitchell
The Hon. Chris Rath
The Hon. Damien Tudehope

PRESENT

The Hon. Courtney Houssos, *Minister for Finance, Minister for Domestic Manufacturing and Government Procurement, and Minister for Natural Resources*

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: Good morning, everyone. Welcome to the fourth hearing of the Portfolio Committee No. 1 – Premier and Finance inquiry into budget estimates 2024-2025. Firstly, I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Jeremy Buckingham, and I am the Chair of the Committee. I welcome Minister Houssos and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Finance, Domestic Manufacturing and Government Procurement, and Natural Resources.

I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures. I welcome all the witnesses and thank you for making the time to give evidence, some of you again. Witnesses will be sworn prior to giving evidence. Minister, 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.

Ms SONYA CAMPBELL, Deputy Secretary, Commercial, NSW Treasury, sworn and examined

Ms ANDREA FORBES, Deputy Secretary, Procurement Reform and Banking, NSW Treasury, affirmed and examined

Ms GEORGINA BEATTIE, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development, affirmed and examined

Mr SCOTT JOHNSTON, Deputy Secretary, Chief Commissioner of State Revenue, Commissioner of Fines Administration, Revenue NSW, sworn and examined

Mr CULLEN SMYTHE, Executive Director, Technical and Advisory Services, Commissioner of State Revenue, Revenue NSW, sworn and examined

Mr PETER DAY, Executive Director, NSW Resources Regulator, Department of Primary Industries and Regional Development, affirmed and examined

Mr MICHAEL COUTTS-TROTTER, Secretary, NSW Treasury, on former oath

Ms JOANN WILKIE, Deputy Secretary, Economic Strategy and Productivity Group, NSW Treasury, on former affirmation

The CHAIR: Today's hearing will be conducted from 9.15 a.m. to 5.30 p.m. We are joined by the Minister for the morning session from 9.15 a.m. to 1.00 p.m. with a 15-minute break at 11.00 a.m. In the afternoon we will hear from departmental witnesses from 2.00 p.m. to 3.30 p.m. We will then have a 15-minute break before holding a session with witnesses from independent integrity agencies from 3.45 p.m. to 5.30 p.m. During these sessions there will be questions from the Opposition and crossbench members only, and then 15 minutes allocated for Government questions at 10.45 a.m., 12.45 p.m. and 5.15 p.m. We will now commence with questions from the Opposition.

The Hon. DAMIEN TUDEHOPE: Mr Chair, you made a reference to integrity agencies at 2.00 p.m. There are no integrity agencies coming, as I understand it.

The CHAIR: Well, that's the script. We will hear from government agencies, then. I'm sure they are independent and have integrity. We'll just assume they do.

The Hon. DAMIEN TUDEHOPE: Let's assume they've all got integrity. Minister, good morning. Another estimates and another conflict of interest issue. What advice did you receive before appointing your own chief of staff to the Port Authority of New South Wales board?

The Hon. COURTNEY HOUSSOS: Good morning, Mr Tudehope. Yes, I am happy to be back here at estimates. In relation to a series of direct appointments that the Treasurer and I made, we've made five direct appointments to key State-owned corporations. These are highly qualified people designed to implement a diverse reform agenda that the Government is pursuing.

The Hon. DAMIEN TUDEHOPE: I don't quibble with that, but I just wonder, Minister, did you think it was appropriate to remove yourself from that decision-making process when the person to be appointed had previously been your own chief of staff?

The Hon. COURTNEY HOUSSOS: In relation to those appointments, our Government has been incredibly transparent and open. I understand you're probably reading from the media release we issued outlining those five direct appointments that we made relating to those State-owned corporations.

The Hon. DAMIEN TUDEHOPE: That's right. The point is the appointee had been your own chief of staff. Do you not perceive that, potentially, in relation to the appointment of your own chief of staff, that created a perception—not necessarily any wrong—that there would be a conflict of interest if you were involved in the decision-making process relating to that appointment?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, we have made no secret of this. Indeed, we outlined that in the media release and all of the appropriate disclosures have been made. But perhaps it is worthwhile saying why we went through this process of direct appointment. We have been extremely transparent. We issued a media release that outlined those five appointments that we're making to key State-owned corporations, that I made alongside Treasurer and that were endorsed by the Cabinet.

The Hon. CHRIS RATH: Why didn't you recuse yourself?

The Hon. COURTNEY HOUSSOS: I didn't issue a media release when we reappointed Duncan Gay to the Essential Energy Board.

The Hon. SARAH MITCHELL: He wasn't your chief of staff.

The Hon. DAMIEN TUDEHOPE: He wasn't your chief of staff.

The Hon. COURTNEY HOUSSOS: We have been entirely transparent and open about this process. In fact, the Treasury secretary could provide a detailed answer about the new direct appointment process that we have gone through in order to appoint five highly qualified people to implement the Government's reform agenda across our State-owned corporations.

The Hon. DAMIEN TUDEHOPE: You told the Parliament in relation to Ms Kris Neill, "She has been an incredible servant of our great party for decades." Did anyone else absent themselves from the discussion about this appointment?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I've made no secret of Ms Neill's employment history. Indeed, it was disclosed on the media release that I believe that you are reading from that was issued. I've spoken about it in the Parliament; I've spoken about it publicly. This is no new revelation here.

The Hon. DAMIEN TUDEHOPE: I just wonder whether you think it potentially just better, in circumstances where you're appointing someone who had worked for you, to a \$50,000-a-year job, that you are not on the press release and that you do not participate in the appointment process because, clearly, you come to that decision-making process with intimate knowledge of the person who is the subject of the application. The explanation you give is entirely right, but the perception is you've appointed your chief of staff to a \$50,000-a-year job. Don't you see that there is a perception issue in relation to your involvement in that process?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you've asked me a long series of questions. Was there one in particular you'd like me to answer?

The Hon. DAMIEN TUDEHOPE: The last one. Do you see that there is a perception problem in relation to that process?

The Hon. COURTNEY HOUSSOS: No, Mr Tudehope, because we have canvassed these issues extensively. The key element of managing perceived or potential conflicts of interest is disclosing them, and that is exactly what I have done. I'm happy for the Treasury secretary to provide you with more detail about the direct appointment process, but there's no gotcha moment here. It's on the press release. It's there. You can read it for yourself.

The Hon. SARAH MITCHELL: Minister, you just talked about following the process for disclosing conflicts of interest. Can you clarify for the Committee, through the appointment process for Ms Neill, did you disclose a conflict of interest?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. SARAH MITCHELL: Would you be able to tell us more about when and how you did that?

The Hon. COURTNEY HOUSSOS: I made all of the appropriate disclosures.

The Hon. SARAH MITCHELL: No more detail than that?

The Hon. COURTNEY HOUSSOS: I made all of the appropriate disclosures, including on the media release that we issued. We can't be more open and transparent about the process that we've gone on. As I said, I'm happy to pass to the Treasury secretaries that can talk to you about the direct appointment process that we did for five key appointments across the State-owned corporations.

The Hon. CHRIS RATH: When you do it, Minister, it's not jobs for the boys?

The Hon. COURTNEY HOUSSOS: It's pretty rich for former Ministers in the former Government to come in here and talk about jobs for the boys.

The Hon. CHRIS RATH: But it's not different when you do it?

The Hon. SARAH MITCHELL: This person was a chief of staff months ago.

The Hon. COURTNEY HOUSSOS: We went through an open and a transparent process from a group of people—

The Hon. Dr SARAH KAINE: Point of order: It is legitimate for the Opposition to ask a question—they can about something they feel a bit embarrassed about—

The Hon. DAMIEN TUDEHOPE: The Minister should be embarrassed.

The Hon. Dr SARAH KAINE: There is a peppering of questions across the four participants without any attempt to let the Minister answer.

The Hon. CHRIS RATH: To the point of order: We're completely in sync as a quad, and we are able to ask questions in this way.

The Hon. Dr SARAH KAINE: That would be the first time with you lot, wouldn't it?

The Hon. SARAH MITCHELL: We are a quad.

The CHAIR: Order! I uphold the point of order. Let's do it in series rather than in chorus. The Minister was replying to the question that was asked. Please proceed, Minister.

The Hon. COURTNEY HOUSSOS: That's fine. Is there another question?

The Hon. DAMIEN TUDEHOPE: Minister, Roy Ah-See, from the Orange Aboriginal Land Council, has commented on the determination made by the Federal environment Minister in relation to the tailings dam for Regis goldmine as follows:

The decision beggars belief, I'm dumbfounded as a Wiradjuri traditional owner and coming from country I'm annoyed, I'm lost for words ... it's crazy.

Do you agree with Mr Ah-See that the Federal Minister's determination is "crazy" and "beggars belief"?

The Hon. COURTNEY HOUSSOS: Our Government has been entirely clear about our view of the decision. We want the project. We're disappointed by the decision. We want the project to proceed. We want those billion dollars of investment to be supporting jobs in regional New South Wales, and we are dedicating ourselves to finding practical solutions to find a way forward for the project.

The Hon. DAMIEN TUDEHOPE: I will come back to that in a moment. He's also pointed out the economic benefits for Aboriginal people from employment opportunities in the mine. Have you seen his comments in relation to that or in respect of the potential benefits for Aboriginal people?

The Hon. COURTNEY HOUSSOS: I'm aware that there are going to be hundreds of jobs. I think it's almost 800 jobs that will be created if this mine goes ahead, and we would expect that a proportion of those would be with the Aboriginal community.

The Hon. DAMIEN TUDEHOPE: In relation to the economic impact of that decision and the determination made by the Minister, did Minister Plibersek consult anyone in NSW Labor before engaging in the reckless act of economic damage?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, our Government has been very clear that this project went through the independent planning process. As part of the Federal Minister's consideration there is a requirement to provide some information, but perhaps I can pass to the—

The Hon. DAMIEN TUDEHOPE: No. I'll come to that now. I just want to know, did the Federal Minister consult anyone in the New South Wales Government?

The Hon. COURTNEY HOUSSOS: There's a range of measures where the Federal Government engages with the State Government. We provide some information, because the project has already been assessed by the New South Wales Government and has been approved by the New South Wales Government in the Independent Planning Commission process. It might be helpful if I pass to the Deputy Secretary to talk to you about—

The Hon. DAMIEN TUDEHOPE: No, I'm happy to go to the officials later. The question is reasonably specific.

The Hon. Dr SARAH KAINE: Point of order: It is legitimate for the Minister to ask for a brief contribution from the public servants who are all here this morning, I presume, to be able to answer questions as well. Otherwise, we would simply have them in the afternoon, wouldn't we?

The Hon. DAMIEN TUDEHOPE: To the point of order: I have limited time with the Minister, and I have the officials for later today.

The CHAIR: I do not uphold the point of order. It is true; the Minister is only here for a short period of time.

The Hon. DAMIEN TUDEHOPE: Minister, it was a specific question. Did the Federal Minister contact anyone in the New South Wales Government, including you, to discuss the decision she was about to make?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, as you would be aware, these projects are vast projects that have a range of assessments that are undertaken. I say again, these projects are crucial for our clean energy future. There will be hundreds of jobs from this particular project right in the heart of regional New South Wales, and we want to support that. I think we're on the same team. I think we agree we want the project to go ahead.

The Hon. DAMIEN TUDEHOPE: I'm very keen for this project to go ahead.

The Hon. COURTNEY HOUSSOS: That's why our Government is committed to finding practical solutions to move this project forward. I wrote to Minister Plibersek after the decision was released to reinforce that message about the importance of critical minerals and high-tech metals to our State.

The Hon. DAMIEN TUDEHOPE: I'm sure we can agree on all of that. The question is a specific one: Was there any communication between the Federal Minister and you before she made that decision?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, as I have said to you, there are a range of ways that the New South Wales Government broadly participates in the Federal process. I'm happy to outline those in greater detail if you will allow me to pass to the Deputy Secretary. There is a range of technical information that we provide. On this project, Mr Tudehope, we have been very clear—the Premier has been clear, the Treasurer has been clear, a range of our Ministers have been clear—

The Hon. DAMIEN TUDEHOPE: One last time: Did she pick up the phone to you?

The Hon. COURTNEY HOUSSOS: —about the importance of this project—

The Hon. DAMIEN TUDEHOPE: Did she pick up the phone to you?

The Hon. COURTNEY HOUSSOS: —about the importance of those jobs to regional New South Wales, and we are absolutely committed to finding a practical solution to ensure that that has gone ahead.

The Hon. DAMIEN TUDEHOPE: Can I ask one last time: Did she pick up the phone to you?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I am explaining to you that this is—

The Hon. DAMIEN TUDEHOPE: So the answer is no. Okay, that's fine.

The Hon. COURTNEY HOUSSOS: No, you don't get to put words in my mouth.

The Hon. DAMIEN TUDEHOPE: Minister, how do you respond to the flippant comments by the Prime Minister and the Federal environment Minister that the determination is not stopping the mine, and that it could be easy to just switch to one of the other sites previously considered for the tailings dam? How do you respond to that?

The Hon. COURTNEY HOUSSOS: Our Government, as I said, is committed to finding practical solutions for this project to go forward. That's why I met with the CEO last week to discuss the practical ways that we can help support the project to find a way forward. It's clear from the conversations that the assessments will take time. That's not just Government assessments; that's also the environmental and the other assessments that need to be undertaken. I think that's why the CEO has been clear publicly that this process will take some time. We are committed. The Premier has asked the Secretary of the Premier's Department to find opportunities that we can be supporting this across Government. That's why Mr Draper met with the CEO of Regis Resources with myself. We are committed to finding a practical solution for these important jobs and for this important local investment to occur.

The Hon. DAMIEN TUDEHOPE: Can you identify some of those practical solutions?

The Hon. COURTNEY HOUSSOS: Yes. There is a range of ways they will have to navigate through the planning system. That's why Mr Draper has been engaged. The Premier has charged Mr Draper with engaging in this process.

The Hon. DAMIEN TUDEHOPE: Does that mean finding another site for the tailings dam?

The Hon. COURTNEY HOUSSOS: In order to find an alternative site, if that's the course of action that the company takes, then that will involve detailed environmental assessments and a range of other things that the company will have to do. What our Government is committed to is finding and assisting, as best we can, this project to then navigate through any interactions that they would be required to have with the New South Wales Government.

The Hon. SAM FARRAWAY: Minister, what is the total value of the McPhillamys goldmine project, as it was put through the planning and environmental phases, to the New South Wales Government?

The Hon. COURTNEY HOUSSOS: Mr Faraway, this project is worth around a billion dollars' worth of investment that we assessed. We understand the importance. We understand the hundreds of local jobs that that will be supporting if the project goes ahead, and how important they are to the Central West.

The Hon. SAM FARRAWAY: So with that, what is the projected royalty that would've been earned from this mine if it wasn't approved?

The Hon. COURTNEY HOUSSOS: That matter is being canvassed in budget estimates hearings.

The Hon. SAM FARRAWAY: But as the Minister, I'd like to know today.

The Hon. COURTNEY HOUSSOS: That's about \$200 million. That has been canvassed publicly in other budget estimates hearings.

The Hon. SAM FARRAWAY: But as the Minister, obviously that is a concern. Do you have a concern as the natural resources Minister that this decision sets an incredibly dangerous precedent for investment not only in the Central West but also New South Wales?

The Hon. COURTNEY HOUSSOS: Mr Faraway, I have been incredibly clear, the Premier has been incredibly clear and the Treasurer has been incredibly clear about the importance of this mine, the importance of these jobs and what we're committed to doing to actually get it into practice. I don't think that there would any surprise that a large proportion of my time as Minister for Natural Resources has been engaging with the industry, engaging with the company, in particular—

The Hon. SAM FARRAWAY: To the point, Minister, you must be concerned that this is essentially out of your hands. A Federal Minister has come over the top and quashed this project. That makes your job difficult, doesn't it, to create confidence in New South Wales for future investment in the resources industry?

The Hon. COURTNEY HOUSSOS: Mr Faraway, this is an important project for an important opportunity for New South Wales, particularly for regional New South Wales, to realise the—I think we've got 21 of the 31 nationally identified critical minerals. It's true, gold is not on that list, but often we find gold with copper and copper is obviously a crucial part of what we're going to be needing for our clean energy future. We've got great copper reserves across the Lachlan Fold—an area you would be familiar with. We want to find more opportunities to be unlocking this. This Government is absolutely committed. The Premier has been incredibly clear publicly, the Treasurer and other senior Ministers, about how important this project is.

The Hon. SAM FARRAWAY: Minister, I know you were quick and you arranged a meeting with Jim Beyer from Regis Resources. I acknowledge the Premier also met with MPs and the company whilst in the Central West. At that meeting on 27 August, what resolutions came from that meeting that you had with Regis? What actions could you take as the natural resources Minister to assist that company? Secondly, have you spoken with Minister Plibersek about this decision?

The Hon. COURTNEY HOUSSOS: Mr Faraway, this is a really important issue and that's why, immediately when the decision was made, we, as a Government, engaged with the industry, and I personally engaged with the industry and, as you said, met the CEO. What was clear from that meeting is that any future steps are going to take time. We've certainly offered, and, as I said to Mr Tudehope, the Premier has charged the Secretary of the Premier's Department with shepherding this.

The Hon. SAM FARRAWAY: To that exact point—

The Hon. COURTNEY HOUSSOS: This is an important issue, Mr Faraway.

The Hon. SAM FARRAWAY: To that exact point, I just want to hone in on that very point you said there, Minister, that the Premier has said that—

The Hon. COURTNEY HOUSSOS: Let me provide an answer. If you continue to interrupt me—

The Hon. STEPHEN LAWRENCE: Point of order: I think it's pretty obvious the Minister is trying to answer. She's clearly about to conclude and wants to make a particular point. It's reasonable to allow her to do that.

The CHAIR: I uphold the point of order. It is reasonable. I'm sure the Minister is about to conclude and then you can follow up with your next question, Mr Faraway.

The Hon. COURTNEY HOUSSOS: It's clear that there are a number of decisions that the company is going to have to take before—ultimately this is in the hands of the company. Our Government has been very clear with our public support for this project. What we have offered is assistance in navigating through government in order to facilitate this investment—

The Hon. SAM FARRAWAY: To that point, Minister, the Premier has said publicly that he would look to expedite the planning process.

The Hon. COURTNEY HOUSSOS: —which is crucial across regional New South Wales.

The Hon. STEPHEN LAWRENCE: Point of order: It's the same point of order.

The CHAIR: I uphold the point of order but the time is short, so if the Minister could conclude, I am sure Mr Farraway does have another follow-up question.

The Hon. COURTNEY HOUSSOS: The point I would make is the reason why we require the invention from the Secretary of the Premier's Department is because the planning system that your Government left in place—

The Hon. SAM FARRAWAY: Here we go.

The Hon. COURTNEY HOUSSOS: —is such a mess.

The Hon. SAM FARRAWAY: Fix it, then. If it's such a mess, fix it.

The Hon. COURTNEY HOUSSOS: So in order to facilitate this investment and to provide a stable investment opportunity with certainty, which this Government is absolutely committed to doing.

The Hon. SAM FARRAWAY: That's all right. We can come back to it. We've got a day of questions on this.

The Hon. COURTNEY HOUSSOS: That's why we've engaged the Secretary of the Premier's Department to assist in this process.

The Hon. DAMIEN TUDEHOPE: Our planning system approved the mine, by the way.

The Hon. SAM FARRAWAY: Yes, that's right.

The Hon. SARAH MITCHELL: Yes, exactly. That's convenient.

The Hon. COURTNEY HOUSSOS: It took four long years.

The Hon. ROBERT BORSAK: Thank you, Minister, for coming today. I just refer you back to the media release you put out last Tuesday, I think, regarding supporting local jobs, boosting local businesses, the Jobs First Commission, and "If not, why not" government spending rules et cetera—all very detailed and all very long—along with two other Ministers. Why is the Government changing and implementing a new policy favouring local jobs in New South Wales?

The Hon. COURTNEY HOUSSOS: Our Government is absolutely committed to supporting more local jobs, more local investment and more local businesses through better leveraging our government procurement spend. On Tuesday I did make an announcement. The announcement was in three parts. The first part was our "If not, why not" policy. We are requiring government agencies, for the first time, to explain if they are not using the \$42 billion-worth of goods and services that they are procuring each year. If they're not purchasing that from a New South Wales-based supplier, we're asking them to explain why they're not. That was issued by a ministerial direction from myself to the Procurement Board to bring this into effect, and that will be a requirement for contracts that are over \$7.5 million.

The second part of the announcement that I made alongside my colleagues Minister Chanthivong and Minister Whan at a fantastic local manufacturer in Western Sydney on Tuesday was that we would legislate our Jobs First Commission. This is a body that will be charged with implementing, monitoring and enforcing our new policies, including local content weightings within tenders for the first time and also a requirement around apprentices.

The Hon. ROBERT BORSAK: Minister, I've only got limited time so I might hit you with another one. I read with a little bit of chagrin, actually; I didn't realise how limiting the previous procurement provisions were in relation to local content. Can you quickly outline what those restrictions were?

The Hon. COURTNEY HOUSSOS: Yes, absolutely. That was actually the third part of the announcement, which was that I repealed the previous Government's direction that prohibited local content rules. Under that direction, you were prohibited in relation to ownership, location and origin of the goods. In effect, this meant that you couldn't have a local content system. Mr Borsak, you would be aware that this is an issue where we have unanimity and agreement from the business community. Unions NSW was also at our announcement the other day. They both support a level playing field for local business to be better accessing our government procurement dollars, and that's what we have done.

The Hon. ROBERT BORSAK: What practical effect did those restrictions have, then? The New South Wales Government is the biggest procurement "machine" in the whole country and yet it doesn't favour its own State. What the hell is this all about?

The Hon. COURTNEY HOUSSOS: Mr Borsak, the point I would make is that we are not first movers in this place. Almost every other State and Territory has some kind of policy in place to support their local businesses. The first order of business for a government is that when procuring money, when spending taxpayers' own funds, that they should be looking to support local jobs and local businesses. Like I say, we've got great support from both Unions NSW and Business NSW. Business NSW made the point, "Businesses, particularly small- and medium-sized businesses, don't want a leg up; they just want a level playing field."

The Hon. ROBERT BORSAK: Is it always based just on price?

The Hon. COURTNEY HOUSSOS: No. Our procurement guidelines are really clear about value for money. Mr Borsak, you would be aware that the previous Government had this ideological zealotry where they shipped jobs—thousands of jobs—and billions of dollars offshore and the important supplier chain benefits, in addition to those direct jobs and in addition to those direct investment. So we've said, "No, we want to keep them here." We want to keep a bigger proportion here and we want to be able to find policies, including local content weighting in our tenders for the very first time.

The Hon. ROBERT BORSAK: Minister, given that often local industry will be uncompetitive when it comes to price only, are you not allowing considerations other than just pure price signals to be considered in favour of the local business in New South Wales? If so, what are they?

The Hon. COURTNEY HOUSSOS: I think what we've seen over the past 12 years is an ideological obsession with the lowest unit price. If we look at these major transport projects—whether it's the trains that were procured from Korea that are billions of dollars over budget and now running about five years late—there are the direct jobs, like I said, the direct investment, but what we're actually getting is inferior products. When we talk about value for money, we want to be able to procure from local suppliers and from local opportunities and local businesses.

The Hon. DAMIEN TUDEHOPE: A bit of xenophobia. You can't get good stuff overseas, can you?

The CHAIR: Order!

The Hon. ROBERT BORSAK: They don't come in on price, they come in late, the quality is not there. You're laughing, Mr Tudehope, but that is reality.

The Hon. DAMIEN TUDEHOPE: Well, this is nonsense, quite frankly. This is complete nonsense.

The CHAIR: Order!

The Hon. ROBERT BORSAK: It's nonsense?

The Hon. DAMIEN TUDEHOPE: Complete nonsense.

The Hon. CHRIS RATH: Protectionist xenophobia.

The CHAIR: Order! Mr Borsak, direct your questions to the Minister.

The Hon. DAMIEN TUDEHOPE: But I'll explore that later, for your benefit.

The Hon. ROBERT BORSAK: I'd be happy to be convinced otherwise.

The Hon. DAMIEN TUDEHOPE: I will explore it, for your benefit, later.

The CHAIR: At a later date.

The Hon. ROBERT BORSAK: I don't see what the benefit is, especially when we lose the skills in New South Wales.

The Hon. DAMIEN TUDEHOPE: The questions are ridiculous.

The CHAIR: Order! Mr Borsak, ask your question, please, to the Minister.

The Hon. COURTNEY HOUSSOS: Mr Borsak, in relation to your questions, I would be happy to table the ministerial direction that I issued on Tuesday, which shows exactly what we've deleted from the previous Government's approach, if that would be helpful?

The Hon. ROBERT BORSAK: Yes, please do.

The Hon. COURTNEY HOUSSOS: I have a few copies here that are available. It's a marked-up version that shows what remains in place and what we've deleted.

The Hon. ROBERT BORSAK: You mentioned in your opening the "If not, why not" policy and I read that in your media release. There is a bit of an explanation in there, but can you go into it a little bit deeper?

The Hon. COURTNEY HOUSSOS: Absolutely. This is a requirement for government agencies. This is a ministerial direction that I've issued. It's the second ministerial direction that I've issued to the Procurement Board.

The Hon. STEPHEN LAWRENCE: Point of order: For some time we've been getting these sniping, low-volume interjections. I ask that you call the members to order. It's actually continuing as I make my point of order. They're still going.

The CHAIR: They are. The sotto voce interjectors must desist.

The Hon. SAM FARRAWAY: Sorry, I was talking to myself.

The CHAIR: I hope you were listening. Please desist from interjecting. The Minister is replying to an important question. Minister, please continue.

The Hon. COURTNEY HOUSSOS: In relation to the document that I just tabled, we certainly want to be encouraging foreign investment, but what we are going to do is require, for a significant amount of time, the origin of the goods and services to be allowed to be determined and to be taken into account as part of the tender weighting. We've deleted the offset provisions. In this case it is worthwhile noting—and this is what was explicitly ruled out under the previous direction from the previous Government—that:

... an *offset* is any condition or undertaking that requires the use of domestic content, a domestic supplier, the licensing of technology, technology transfer, investment, counter-trade or similar actions to encourage local development in Australia or to improve Australia's balance of payments accounts.

Mr Borsak, that was there in writing. That was the previous Government's approach. They didn't just refuse to adopt provisions to support local content—

The Hon. DAMIEN TUDEHOPE: No, we just complied with the Federal law.

The Hon. COURTNEY HOUSSOS: —they actually outlawed it as part of their policies, as part of their directions that they issued.

The Hon. ROBERT BORSAK: I acknowledge that interjection from Mr Tudehope. Is what you are doing compliant with Australian competition law?

The Hon. COURTNEY HOUSSOS: Yes. As I said to you earlier, Mr Borsak, we are certainly not first movers here. If you head to Victoria or head up to Queensland or even over to Western Australia, all of those governments have policies in place that allow their government procurement dollars to support local businesses and local jobs. The solution that we've come up with, with our "If not, why not" ministerial direction and also then with our Jobs First Commission, elegantly balances compliance with our Australian Constitution, our free trade obligations, the unique history we have with New Zealand and community expectations from here in New South Wales. This is a nuanced and sophisticated approach to support local business, local jobs and local investment.

The Hon. ROBERT BORSAK: My time has just ended. I'll come back. I have some more to talk about.

The CHAIR: Minister, is New South Wales in a gas supply crisis? If it is, why?

The Hon. COURTNEY HOUSSOS: Thank you, Mr Buckingham, for the question. On the issue of gas, there is no doubt that our Government understands that gas will play an important role in the energy mix as our reliance on coal diminishes, and we're committed to a responsible and balanced approach to ensure energy security for the people of New South Wales.

The CHAIR: But AEMO has said publicly today that New South Wales and the southern States are in a gas supply crisis and that we are likely to run out of gas in New South Wales as early as 2026. Do you agree and what are you doing to deal with that issue?

The Hon. COURTNEY HOUSSOS: Mr Buckingham, as you would know, our Government, as I said, is committed to reliable and affordable energy. But that is largely a matter in relation to the energy market and largely a matter for Minister Sharpe. In relation to gas specifically and projected shortages and the like, she is probably best placed to provide you with that kind of analysis. That's undertaken by her department.

The CHAIR: But surely you have a role? Your Federal counterpart, Minister King, has said there should be the development of gas resources close to market. Do you agree with that proposition, that the best thing that could happen is the development of new gas in New South Wales?

The Hon. COURTNEY HOUSSOS: In relation to Minister King, I was in Perth last week meeting with my State and Federal ministerial counterparts and one of the issues that we discussed was the Future Gas Strategy. That is, of course, a plan from the Federal Government in relation to gas. The point I'd make on gas is that in New South Wales we only have somewhat limited options. There is only really one project. I know that's one that you have a particular, perhaps not interest in, I shouldn't say, but the issue, definitely, and it's one that we've canvassed at length, for sure.

The CHAIR: What does "canvassed at length" mean?

The Hon. COURTNEY HOUSSOS: I mean you and I have spoken about the issue of gas and of Narrabri.

The CHAIR: With respect, Minister, you didn't answer the question. Do you support the development of the Narrabri Gas Project, as urged by your Federal counterpart?

The Hon. COURTNEY HOUSSOS: The Narrabri Gas Project has been through the independent planning process and, as a result, we support the project. As you're aware, I went up to the Liverpool Plains earlier this year to meet with farmers and local Indigenous communities, and I toured the site myself. I think it's really important to get a firsthand understanding of what is involved with the project.

The CHAIR: Clearly, you have met with Santos.

The Hon. COURTNEY HOUSSOS: Yes.

The CHAIR: When do you expect that project to begin?

The Hon. COURTNEY HOUSSOS: Ultimately, that project, at the moment, is subject to some native title tribunal rulings and some issues which Ms Beattie can speak to in greater detail. In relation to the project, they need to be resolved before there can be any further progress.

The CHAIR: But assuming they are resolved positively from Santos's point of view, it must have given an indication to the Government of when it will make a final investment decision on Narrabri and when the project will commence?

The Hon. COURTNEY HOUSSOS: Ultimately, they are questions for the company. That's really not something that are questions for me, to be honest, Mr Buckingham.

The CHAIR: Why not?

The Hon. COURTNEY HOUSSOS: The native title process has taken quite an extensive period, and perhaps Ms Beattie—

The CHAIR: Are you saying, Minister, that the New South Wales Government has no idea when the Narrabri Gas Project will commence, or if it will commence?

The Hon. COURTNEY HOUSSOS: Ultimately, that will be a decision for the company to make. It's been through the independent planning process. It's certainly a significant project that has got opportunities to provide gas for the people of New South Wales. But before any progress can be made in terms of progressing the site, the native title issues would need to be resolved, and they have taken some time. Indeed, when I was up there, I met with the local Indigenous community, some who were supporting the project, some who were opposed to the project. But those issues need to be resolved before the company can make a final investment decision, is my understanding, but I can certainly—

The CHAIR: I'll ask Ms Beattie some questions about that this afternoon. Minister, in New South Wales is gas use increasing or decreasing?

The Hon. COURTNEY HOUSSOS: Mr Buckingham, again, I have to say that's really a question for Minister Sharpe.

The CHAIR: You're the Minister for Natural Resources in charge of overseeing gas production in this State, and ostensibly gas supply. Is gas use going up or down?

The Hon. COURTNEY HOUSSOS: As you would be aware, Mr Buckingham, this is where the interaction of Minister Sharpe's and my portfolios is close but separate. In relation to the actual energy requirements, they are really matters for Minister Sharpe. In terms of upward or downward trajectories, they are really questions for Minister Sharpe. But the point I would make is this. We do have very limited opportunities

for gas in New South Wales. The Narrabri Gas Project is really the only project. As I said to you, the native title questions that are associated with that, the questions around the pipeline—both the lateral and the Hunter pipeline—these are issues that need to be resolved before that project can progress.

The CHAIR: What is the timeline for the review of John Barilaro's *Future of Gas Statement* and publication of your Government's revised gas strategy? I've raised this before at estimates. Where is it up to now?

The Hon. COURTNEY HOUSSOS: This is my third budget estimates. I think we've discussed it at each of those, and I know we've discussed it several times in the House. My answer remains the same. My first priority is updating the Critical Minerals and High-Tech Metals Strategy. I think that there are some great opportunities, and the Government more broadly has been very vocal on the opportunities we see there. Once we conclude that work, our next priority is the coal statement. But, as I said you, Mr Buckingham, the gas opportunities in New South Wales really are limited to the Narrabri Gas Project. Until those native titles issues—and the pipeline issues, as well—are resolved and the company makes an investment decision, that's really the key question that needs to be resolved.

The CHAIR: But there are headlines in the AFR, *The Australian* and the Herald today saying we're in a gas supply crisis, and yet you're not revising the *Future of Gas Statement*. Why not? Do you believe that we're not in a gas supply crisis?

The Hon. COURTNEY HOUSSOS: Honestly, Mr Buckingham, I wouldn't say that it's an acknowledgement of the supply crisis or not. I think it's just an acknowledgement that in New South Wales we have abundant critical minerals resources—we have a large amount. We have 39 currently operating coalmines. They are really the key focus in terms of my priorities in the Natural Resources portfolio.

The CHAIR: But our economy—we have major gas-fired power stations and manufacturing dependent on gas. In the absence of Narrabri going ahead, what are you doing across all of government to ensure there is gas supply?

The Hon. COURTNEY HOUSSOS: In relation to the supply issues for the energy market, obviously they are, as I said to you, questions really for Minister Sharpe, and governed through both energy Ministers. And then, in terms of an overarching supply question, Minister King is certainly focused on unlocking the opportunities, but they are largely in other States, Mr Buckingham. Until those native title or the pipeline issues get resolved, the only real option for New South Wales is import terminals.

The CHAIR: Will the Government's *Future of Gas Statement* recognise the need to reduce gas over time in order to achieve our legislated climate targets?

The Hon. COURTNEY HOUSSOS: These are issues that I would expect that the gas strategy would consider. Again, Mr Buckingham, it's a bit of a hypothetical question, to be honest with you. I think that it would be certainly part of the consideration, but it's one that we will make once we've concluded the work on both the critical minerals strategy and the coal statement.

The CHAIR: The Government has committed to delivering a gas substitution road map. How will the *Future of Gas Statement* align with the substitution road map?

The Hon. COURTNEY HOUSSOS: That is a great point on how our Government will need to work together to make sure these policy documents work in concert. I certainly work with my colleagues Minister Sharpe and Minister Scully in the planning space because they have a significant role to play in these kinds of issues as well. We certainly want to make sure that our Government documents are working in concert. We are very much a team in the way that we are approaching these things, and we certainly want to be working together to make sure that they reconcile.

The Hon. SAM FARRAWAY: Minister, you mentioned in a previous answer that you've engaged with Indigenous members of the community with regard to a gas project. Have you ever met with Nyree Reynolds?

The Hon. COURTNEY HOUSSOS: No, not that I'm aware of. But I disclose all of my meetings through my meeting disclosures process.

The Hon. SAM FARRAWAY: Since the decision was made from Minister Plibersek around the section 10 cultural claim, have you requested to meet Nyree Reynolds since that decision was made to try to understand the situation and her claim?

The Hon. COURTNEY HOUSSOS: No, I haven't. My focus since the decision, and our Government's focus, has really been, as I canvassed extensively in our previous session, in relation to finding practical solutions. That is why I have engaged with the industry and met directly with the company.

The Hon. SAM FARRAWAY: You said you haven't requested—that's fine. Has Nyree Reynolds ever requested to meet with you as the Minister for Natural Resources?

The Hon. COURTNEY HOUSSOS: I am not aware of that.

The Hon. SAM FARRAWAY: Are you happy to take it on notice and check for me?

The Hon. COURTNEY HOUSSOS: Sure.

The Hon. SAM FARRAWAY: Are you concerned, as the natural resources Minister, that an individual can block a \$1 billion, 800-employee project in a manner without their heritage confirmed?

The Hon. COURTNEY HOUSSOS: I think, again—this might be a bit repetitive, Mr Farraway.

The Hon. STEPHEN LAWRENCE: Point of order: I apologise. There was a bit of a pause there. I am just trying to digest exactly what the question was, but I think that in circumstances where a member of the community has been named, in circumstances where that particular person is not the Minister that has the statutory power to make the decision that was made, and where the question has indirectly potentially cast an aspersion on her, I think it's an obnoxious question. I think it should be withdrawn and perhaps an apology should be offered.

The Hon. SAM FARRAWAY: To the point of order: I didn't name the person directly. I said, "Are you concerned that someone can block a project in this manner without having their heritage confirmed?"

The Hon. Dr SARAH KAINE: To the point of order: She was named in the—

The Hon. STEPHEN LAWRENCE: She was named in the preceding question.

The CHAIR: The question itself did not mention the person, but the preceding ones clearly did. I think it's reasonable that you were referring—

The Hon. SAM FARRAWAY: I'm happy just to move on.

The CHAIR: In actual fact, the standing orders require us not to adversely mention third parties.

The Hon. SAM FARRAWAY: That's fine. I'll move on, Mr Chair, if that's the case.

The CHAIR: Mr Lawrence has asked that the question be withdrawn. I will get some advice.

The Hon. DAMIEN TUDEHOPE: Can we stop the clock?

The CHAIR: We don't have the capacity to ask Mr Farraway to withdraw the question or compel him to apologise. We can potentially deal with the issue when we come to publishing the transcript of proceedings.

The Hon. STEPHEN LAWRENCE: I'll make that application in the deliberative then.

The Hon. DAMIEN TUDEHOPE: There were three minutes taken up in relation to that. Can we have that?

The CHAIR: I have to deal with the matters that are before me.

The Hon. SAM FARRAWAY: I'll move on. In his speech at the Bush Summit, the Premier said he will aim to fast-track an alternative tailings dam. As the natural resources Minister, how will you help the Premier achieve that?

The Hon. COURTNEY HOUSSOS: Mr Farraway, you've just again highlighted our Government's commitment to finding a practical way forward. As I've outlined extensively this morning, that's what our Government, from the Premier, the Premier's Department—

The Hon. SAM FARRAWAY: How, Minister?

The Hon. COURTNEY HOUSSOS: Ultimately, the decisions about the location of the tailings dam are questions for the company themselves.

The Hon. SAM FARRAWAY: So you can't?

The Hon. COURTNEY HOUSSOS: Once they reach those considerations themselves, we will work with them to find a way for that to progress as quickly as possible. But these are not questions that we can resolve; these are questions that the company itself has to resolve.

The Hon. SAM FARRAWAY: In fairness, the Premier was probably inaccurate to say—

The Hon. COURTNEY HOUSSOS: Mr Farraway, you've asked me questions about a really important issue, and then you continue to interrupt me as I'm providing an answer.

The Hon. STEPHEN LAWRENCE: Point of order: A reasonable opportunity should be given to the Minister to answer the question. Mr Faraway is speaking over the Minister and shouldn't do so.

The CHAIR: I uphold the point of order. The Minister was replying and being relevant to the question. If you can desist from talking over her, that would assist.

The Hon. COURTNEY HOUSSOS: There is a rigorous environmental and heritage approvals process that happens in New South Wales, and that robust system needs to be allowed to play out. Under the ruling from the Federal environment Minister, there will need to be an alternative site found for the tailings storage facility, and that's something that the company needs to work through, undertaking the appropriate studies. When they are ready, we are here and ready to engage. The Premier, the Secretary of the Premier's Department and myself, we are all ready to assist them how we can.

The Hon. SAM FARRAWAY: Have you been to visit the Regis McPhillamys goldmine?

The Hon. COURTNEY HOUSSOS: I understand you were there yesterday, Mr Faraway, not in budget estimates.

The Hon. SAM FARRAWAY: Correct, but I'm here today asking you plenty of questions, Minister.

The Hon. COURTNEY HOUSSOS: Great.

The Hon. COURTNEY HOUSSOS: But I think I've been pretty clear, Mr Faraway.

The Hon. SAM FARRAWAY: Have you visited the McPhillamys goldmine in Blayney, Minister?

The Hon. COURTNEY HOUSSOS: There is no McPhillamys goldmine in Blayney.

The Hon. SAM FARRAWAY: The proposed site. They own the land. Have you been to the proposed site in Blayney?

The Hon. COURTNEY HOUSSOS: What I can tell you is that last week I was meeting with my Federal and State counterparts, discussing this issue.

The Hon. SAM FARRAWAY: That's a no.

The Hon. SARAH MITCHELL: Just say no. If you haven't been, just say no.

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: The week before I was at the Northparkes mine, where we were celebrating 30 years of jobs and investment in another crucial part of central New South Wales. There is no doubt that I engage frequently and regularly with the industry. I visit mines.

The Hon. SAM FARRAWAY: You sound like Tara Moriarty—engaging.

The Hon. COURTNEY HOUSSOS: But more importantly than visiting the site, it is about engaging and finding—

The Hon. STEPHEN LAWRENCE: Point of order: It's good to have Mr Faraway here, but he's constantly sniping and interjecting.

The Hon. Dr SARAH KAINE: As is Ms Mitchell.

The Hon. SARAH MITCHELL: She is not answering the question.

The Hon. SAM FARRAWAY: I can talk to my colleagues.

The CHAIR: I uphold the point of order. It doesn't assist me or Hansard hearing what the Minister is saying, or the people at home hearing the proceedings. Please desist, Mr Faraway, and Opposition members, from interjecting when the Minister is making an answer to your questions.

The Hon. SAM FARRAWAY: Minister, have you been to visit the proposed McPhillamys goldmine site near Blayney?

The Hon. COURTNEY HOUSSOS: I think I've been pretty clear—

The Hon. SAM FARRAWAY: So no, you haven't.

The Hon. COURTNEY HOUSSOS: —about the engagement that I've had—

The Hon. SAM FARRAWAY: Have you visited the site physically? Have you been there in person?

The Hon. COURTNEY HOUSSOS: —with the company, with the local member, with a range of other mines. But this isn't about stunts, Mr Farraway.

The Hon. SAM FARRAWAY: No, it's not. This is about 800 jobs. This is about a \$1 billion mine site, Minister.

The Hon. COURTNEY HOUSSOS: Yes, it's about \$1 billion—

The Hon. SAM FARRAWAY: At least the Premier flies in and flies out. He does day trips.

The CHAIR: Order!

The Hon. GREG DONNELLY: Point of order: I think the sarcasm is beneath the honourable member. The Minister is answering the question honestly and frankly.

The Hon. SARAH MITCHELL: No, she hasn't.

The Hon. GREG DONNELLY: If the member wants to persist, it will invite more points of order. My suggestion is that he moves on.

The CHAIR: It is a good point. I uphold the point of order. The resolution of the House is that we have to treat all witnesses with courtesy at all times and avoid adverse reflections upon them. I think you were doing that, Mr Farraway, so please desist and continue with your questions.

The Hon. SAM FARRAWAY: Minister, have you requested, officially, a meeting with Tanya Plibersek, the Federal Minister, to discuss the section 10 decision and the future of the proposed McPhillamys goldmine near Blayney?

The Hon. COURTNEY HOUSSOS: Mr Farraway, as I said to you earlier, I've written to Minister Plibersek. I wrote to her on 21 August—

The Hon. SAM FARRAWAY: Have you requested a meeting?

The Hon. COURTNEY HOUSSOS: —to reinforce the importance of critical minerals investment to the State, and I have certainly outlined that. I've said that publicly. The Premier said that publicly.

The Hon. SAM FARRAWAY: Have you requested a physical meeting, Minister?

The Hon. COURTNEY HOUSSOS: We're on a unity ticket here, Mr Farraway, in wanting the mine to proceed, but we have a different way of approaching it. Our Government is focused on solutions and on finding a way for these 800 jobs to be realised and the \$1 billion worth of investment, whereas you are interested in stunts and campaigning. We will continue to do the important work that we are doing to actually deliver investment for New South Wales to provide those opportunities, and you can continue with your approach.

The Hon. SAM FARRAWAY: It's good to hear that all you've done is write a letter. Moving on, do you think that the Federal Labor Government should undertake to review the section 10 cultural claim process to give certainty for future investment in New South Wales?

The Hon. COURTNEY HOUSSOS: Ultimately those are questions for the Federal Government. I understand that's where you want to be, Mr Farraway, and you're welcome to ask those questions there. New South Wales has a robust regulatory framework. We believe it has proper protection for Indigenous heritage and the environment, and for communities near mining projects. That's why the independent planning process in New South Wales approved this important mine. We want to see that continue.

The Hon. SAM FARRAWAY: Do you agree with the New South Wales EPA that Minister Tanya Plibersek has got it wrong?

The Hon. COURTNEY HOUSSOS: There are no gotcha moments here, Mr Farraway. I've been really clear about how I'm disappointed in the decision and how I don't think that decision should have been made. The Premier has said that, the Treasurer has said that. I have said this and other senior Ministers have said this. Progressing heritage and progressing mining projects shouldn't be a zero-sum proposition. We want more mining projects here in New South Wales. We want to find more opportunities for investment. That's exactly why we want to unlock more of the 21 of the 31 nationally identified critical minerals that we have in New South Wales and the projects to be able to realise them. We know their importance for our clean energy future. We want to be encouraging that investment. That's what's driving this Government. That's why we want to be supporting this in a practical way.

The Hon. DAMIEN TUDEHOPE: Minister, you are serious about trying to progress this mine, aren't you? You would like to see it happen, yes? We are all on a unity ticket, you've told us. Is there a solution, which

I'm going to put to you? Is a solution to support the disallowance motion in relation to this regulation in the Senate? Is that a solution? If the disallowance motion was upheld, that would be a solution, would it not?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, there are a range of things that we can be doing at a New South Wales level to be supporting this project, and that's what we are pursuing at the moment. I understand this is your pet question to ask in budget estimates in this particular round.

The Hon. DAMIEN TUDEHOPE: I'm asking you now, Minister. You're the Minister for Natural Resources.

The Hon. STEPHEN LAWRENCE: Yes, the State Minister.

The Hon. COURTNEY HOUSSOS: I think it's pretty clear that I don't have a vote—

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: Mr Tudehope, we are absolutely committed to finding practical solutions to making sure that that investment is realised, and those 800 jobs across the Central West.

The Hon. DAMIEN TUDEHOPE: If there were New South Wales senators who had a vote in relation to this disallowance motion, you would be asking them to support the disallowance, wouldn't you?

The CHAIR: Order! Mr Tudehope, they are hypotheticals.

The Hon. DAMIEN TUDEHOPE: No, it's specific. Would you be asking them to support the disallowance? Yes or no?

The Hon. Dr SARAH KAINE: I would suggest it's hypothetical.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, our Government has been so clear about how we've been committed to this project.

The Hon. DAMIEN TUDEHOPE: So you won't?

The Hon. COURTNEY HOUSSOS: We've got the Premier, we've got the Treasurer and we've got myself finding practical solutions. Again, you are interested in stunts instead of actually delivering this project.

The Hon. DAMIEN TUDEHOPE: You're not fair dinkum, Minister. If you were absolutely fair dinkum about supporting this mine, you would be picking up the phone to those senators.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you've clearly got a list of questions there that you want to read out.

The Hon. STEPHEN LAWRENCE: Point of order: That is not a question; that's some sort of a lecture. It's not in order.

The Hon. DAMIEN TUDEHOPE: Why haven't you picked up the phone, Minister?

The CHAIR: Order! A point of order has been taken. I uphold the point of order. That was just a statement and a lecture.

The Hon. DAMIEN TUDEHOPE: None more so than the Minister is giving.

The CHAIR: Please desist from that, Mr Tudehope, and ask questions.

The Hon. DAMIEN TUDEHOPE: Minister, why haven't you picked up the phone to get those senators to support the disallowance because that in fact is the solution next week, is it not?

The Hon. COURTNEY HOUSSOS: Because I've been really clear on this, Mr Tudehope. I have been clear that we are committed to finding a solution to realise this investment. We're not interested in stunts.

The Hon. DAMIEN TUDEHOPE: It's not a stunt, Minister.

The Hon. COURTNEY HOUSSOS: As a considered, thoughtful and practical government, we are focused on delivering for the people of New South Wales, engaging with the industry, finding solutions and finding ways to realise this investment and those important jobs.

The Hon. DAMIEN TUDEHOPE: But, Minister, you've told us that the decision is wrong.

The CHAIR: Order! Mr Tudehope, the Minister was—

The Hon. SAM FARRAWAY: Getting angry.

The CHAIR: Order! The Minister was answering your questions, so please allow her to answer them.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, this is an important investment project in itself but there is a range of other opportunities for regional New South Wales to be able to support those. We want to be fostering that investment and realising those local jobs and supporting those local opportunities, and that's what we're focused on.

The Hon. SAM FARRAWAY: Minister, do you believe that Minister Plibersek should release the statement of reasons so that the New South Wales Government, the Blayney and Central West community and investors around this State and country should know the reasoning and justification for Minister Plibersek's decision to all but squash a \$1 billion, 800 high-paying jobs project in Blayney?

The Hon. COURTNEY HOUSSOS: Yes, and that's why I wrote to her.

The Hon. SAM FARRAWAY: Excellent. Moving on, with regard to expediting the process, which the Premier has committed to, how will you expedite? What levers do you have to expedite this project to find a new tailings dam site?

The Hon. COURTNEY HOUSSOS: I've explained that already, Mr Farraway.

The Hon. SAM FARRAWAY: No, but you haven't. You said it's up to the mine, but the Premier has made a commitment to the good people of Blayney that he will intervene and work with the company to expedite planning processes. This is unheard of for a Premier to say, "I'm going to get involved. I'm going to roll up these sleeves and I'm going to do a deal to make sure this happens." I applaud him for coming out strong, I really do, but I want to know how he's going to do it.

The Hon. COURTNEY HOUSSOS: You've just applauded the Premier and said how strongly he's done.

The Hon. SAM FARRAWAY: But I want to know how. How is he going to do it?

The Hon. COURTNEY HOUSSOS: We're working through that.

The Hon. SAM FARRAWAY: That's right. You've written a letter.

The Hon. COURTNEY HOUSSOS: The planning system that we inherited—and the Premier has spoken about this at length—

The Hon. SAM FARRAWAY: One minute it sounds good. The next minute it's no good.

The CHAIR: Order! Mr Farraway, this is not the opportunity to ask the question and then immediately interject over the top of the Minister. You've asked the question. Please allow the Minister to answer, or I'll call you to order.

The Hon. COURTNEY HOUSSOS: Mr Farraway, as the Premier has outlined in this exact hearing, the planning system that we inherited from your Government is such a mess, whether it's talking about—

The Hon. DAMIEN TUDEHOPE: It approved the process. It approved the mine.

The Hon. STEPHEN LAWRENCE: Point of order: Honestly, in circumstances where there was just a ruling on a previous point of order, it's so disrespectful and disorderly to then immediately engage in the same conduct.

The CHAIR: I uphold the point of order. It is not only disrespectful to the witnesses, it's disrespectful to me by repeatedly ignoring my ruling, which is to stop interjecting. If you continue, I will call you to order. Minister, you have the call.

The Hon. COURTNEY HOUSSOS: That's fine.

The Hon. DAMIEN TUDEHOPE: Minister, can I just move on? It's clear that you're not going to do anything on that, but that's fine. I just want to move on to—

The Hon. COURTNEY HOUSSOS: No. I'm going to correct you there.

The Hon. STEPHEN LAWRENCE: Point of order: It's really unfair, I would say, and discourteous to preface a question with some sort of sniping mischaracterisation of the previous answer. The topic's moved on. It's not an appropriate question. It's just a little speech that is being slipped in.

The CHAIR: I uphold the point of order. The resolution of the House is to treat all witnesses with courtesy at all times, Mr Tudehope. That was discourteous.

The Hon. DAMIEN TUDEHOPE: It works both ways, Chair.

The CHAIR: I call the Hon. Damien Tudehope to order for the first time. Please do not ignore my rulings or I'll continue to call you to order.

The Hon. DAMIEN TUDEHOPE: Thank you, Chair. Minister, given the potential impact on coal exports of the closure of the Port of Newcastle by Rising Tide protesters and the over 100 charges for breaches of the law by participants, what action have you taken to oppose the granting of any permit for this further sabotage of the New South Wales economy? Have you spoken to the Minister for Police and Counter-terrorism in relation to it?

The Hon. COURTNEY HOUSSOS: In relation to the matter of protests, while everyone has a right to protest, they don't have a right to disrupt. The police Minister has been incredibly clear on this. She is the Minister for the police and the Minister for the Hunter and she has an excellent understanding of this and the disruption that the community has experienced already due to protest activities there. If people are caught breaking the law, they'll be arrested.

The Hon. DAMIEN TUDEHOPE: But nothing to stop this protest from occurring. Given that on the last occasion this group ignored the conditions attached to the protest in relation to the timing, and over a hundred charges arose from the previous protest, would you not think it appropriate to refuse the permit?

The Hon. COURTNEY HOUSSOS: Ultimately, they are questions for the police and for the police Minister to answer.

The Hon. DAMIEN TUDEHOPE: Will you encourage the police Minister?

The Hon. COURTNEY HOUSSOS: But I would say this: I am a vocal supporter of our coal industry. I appreciate the 25,000 direct jobs and the more than 100,000 indirect jobs that they support particularly through the Hunter region. Like I say, everyone has a right to protest but they don't have a right to disrupt. These are important exports that are very important for our State's economy and are bringing in valuable royalties for our State as well.

The CHAIR: Just before I hand to my colleague Mr Borsak, I remind all honourable members that in these Committee hearings we are to avoid at all times naming individuals who are not here to defend themselves and adversely reflecting upon those individuals as well. I remind all members not to do that. I think that occurred in the previous round of questions, and I am getting some advice about how we manage that. But I remind all honourable members not to name individuals and not to adversely reflect upon them.

The Hon. ROBERT BORSAK: Minister, I'll take you back to my previous line of questioning in relation to New South Wales Government procurement. You are mandating—at least, in your media release, you say you will—that New South Wales Government agencies must engage with local New South Wales suppliers before going to tender for projects worth more than \$7½ million. How will this work in practice? How will you know that that's being observed and, if it's not, held accountable?

The Hon. COURTNEY HOUSSOS: That's a great question, Mr Borsak, and it's certainly the way that we're implementing our "If not, why not" policy in the ministerial direction that I issued on Tuesday. The key part of this is, like I said at the start of the process, we've implemented a series of measures. One of those is through the Jobs First Commission and the legislation that we will introduce is waiting as part of the tender process. What the "If not, why not" ministerial direction does is, right at the start of the process, require government agencies for contracts of more than \$7.5 million to look out for a New South Wales supplier and, if they can't find one, to then report to the Procurement Board about why they were unable to do that. This is where I'll be working closely with my ministerial colleague Minister Chanthivong about if there are gaps identified as a result of this, that is certainly something that we could look at in the future. But the initial step of what we want to be doing is requiring government agencies, for the first time, to explain why they can't find a New South Wales supplier.

The Hon. ROBERT BORSAK: But how will that actually work? Is there a form to fill out? Is there a website they have to refer to? Do they have to go back to the secretary and report to him? How does that work?

The Hon. COURTNEY HOUSSOS: They'll be reporting that to the Procurement Board. The actual process for how we do that will certainly be operationalised by Treasury. Perhaps they could provide you with a little bit more information about that.

The Hon. ROBERT BORSAK: The detail is what this is all about.

The Hon. COURTNEY HOUSSOS: Yes, absolutely.

The Hon. ROBERT BORSAK: Otherwise, you just get lip-service being paid to this.

MICHAEL COUTTS-TROTTER: The sorts of things that we would expect agencies to do would be to make contact with relevant industry associations to seek their information and, in the cases of larger procurements, formally ask for information from the market or ask for an expression of interest to identify New South Wales based enterprises. We do have to pin down the details. You're absolutely right; the detail matters here. We're going to make it as easy for agencies to do this as possible, but there need to be reasonable steps taken and they need to demonstrate that they've done that to the satisfaction of the Procurement Board.

The Hon. ROBERT BORSAK: With your \$7½ million cut-off, are you saying that contracts less than this amount will be tendered without local preference?

The Hon. COURTNEY HOUSSOS: That's what we're doing at this stage, Mr Borsak. This is, as I mentioned earlier, the second ministerial direction that I've issued. The first ministerial direction was to up the amount that government agencies could directly engage with local businesses from \$100,000 to—now I'm going to get the figure wrong. We upped the direct engagement because from small- and medium-sized businesses the feedback that we had gotten—indeed, this was an election commitment that we made—was to increase the amount that direct engagement can be made. As part of that ministerial direction, we also reduced the red tape that's associated with those procurement processes.

If I could characterise it like this, Mr Borsak, what we want to do with those larger sized contracts is to increase the requirements on them around local tender weighting and on requiring the government agencies to go out and to seek a New South Wales based supplier. But for those smaller contracts, what we want to be able to do is allow small- and medium-sized businesses to engage directly with the Government and to reduce the red tape that's associated with that engagement. That has certainly been the feedback that I've received from Business NSW and I know my colleagues have as well.

The Hon. ROBERT BORSAK: Well, that sounds a little bit better. The way it seems to be put is, "There's a cut-off for \$7½ million. If you're below that, forget it. We don't care where it comes from."

The Hon. COURTNEY HOUSSOS: No. We've come up with the \$7.5 million threshold because that covers about 85 per cent of the contracts that are issued by the New South Wales Government. This is, as I outlined earlier, the first time in more than a decade that the New South Wales Government has engaged in this particular way. We think that it's important that we have a stepping-in point, but it's a suite of policies that we're pursuing in order to allow our local businesses, in different ways, to be able to access that government procurement spend. Like I said to you, Mr Borsak, it's \$42 billion worth of goods and services that the New South Wales Government is procuring every year. I know you're really passionate about supporting small- and medium-sized businesses, particularly in regional New South Wales.

The Hon. ROBERT BORSAK: I'll get to some of that detail a little bit later. I see that where a contract over \$7½ million is awarded outside of New South Wales, the agencies will need to "please explain". That's another term that you've introduced. Why? How does that "please explain" work in the context of what you've been explaining?

The Hon. COURTNEY HOUSSOS: Agencies will be required each quarter to report to the Procurement Board about which contracts they have engaged with New South Wales suppliers for and which contracts they haven't. That will allow us to start to collate some data about what is available and what's not. We've already begun discussions across Government about how we can be leveraging different expertise to be able to provide that to our government agencies. But, as I've spoken about in this forum and in the House at length, the devolved procurement model that we've inherited from the previous Government, where different agencies are operating in their own siloed situations—

The Hon. ROBERT BORSAK: I assume you're not just talking about price? There are other issues around that, obviously.

The Hon. COURTNEY HOUSSOS: Yes, and capacity.

The Hon. ROBERT BORSAK: Assuming it's not just price, do you have any detail or can Mr Coutts-Trotter tell us any more of the considerations that may be brought to account?

The Hon. COURTNEY HOUSSOS: The specific requirements that we're asking them to report on will be in relation to if they have engaged with a New South Wales supplier or not. Like I said to you, we're going to be doing that quarterly. Perhaps the secretary or the deputy secretary might be able to provide you with a bit more information.

MICHAEL COUTTS-TROTTER: Perhaps a worked example, Mr Borsak. The policy changes the Minister is describing enable agencies to establish 30 per cent weighting within their evaluation and decision-making process for things like the use of local content; support for local jobs, including apprentices and

trainees; engagement with small business; or a demonstration that they're using an ethical supply chain, avoiding supply chains that are at risk of modern slavery, for example. The balance of that will be a range of other factors, of which price is only one. The other factors you would consider would be the quality of the goods or services, the reliability of the supplier, the capacity of the supplier to meet your needs, after-sales service, commercial requirements and whether the good or service exactly matches the specifications you're looking for. In that model, price and quantifiable price elements are only 30 per cent of your overall assessment.

The Hon. ROBERT BORSAK: Yes, that's what I was going to get to. In terms of weightings, each of those has a different weighting, have they?

MICHAEL COUTTS-TROTTER: Yes, they do. But value for money is not simply lowest price, and government procurement is mature enough to recognise that. Price would not comprise more than about 30 per cent of an overall evaluation. It's important, but it's not determinative.

The Hon. ROBERT BORSAK: Thank you. I wonder—and I haven't read it in your media release or heard it your answers right up until now—where's the bias for the bush in this supply policy?

The Hon. COURTNEY HOUSSOS: Mr Borsak, that's a really good point. I've been engaging with a range of different stakeholders, peak bodies and individual businesses. The one thing that we've heard overall is that they just want access, as a very first step. That has been consistent whether it's in the city or whether it's in the bush. I spoke in the House about Many Fabrication, who I went and visited in Gunnedah when I was up there. I was speaking with them, and they're a 100 per cent Aboriginal-owned company doing fantastic work with the mining industry—these enormous projects. They're about to expand and take on some new workers, but they can't access government procurement contracts. So this is what we're doing—

The Hon. ROBERT BORSAK: There are lots of companies across New South Wales or that are Australian-based that can't ever get a contract with the New South Wales Government.

The Hon. COURTNEY HOUSSOS: Yes, and we think that's ridiculous, Mr Borsak. We think that New South Wales government agencies should be looking to local suppliers and local businesses first, and that's what we're doing with this policy.

The Hon. ROBERT BORSAK: These people don't have money to pay for sales reps to wander around government departments, knocking on doors and saying, "We're here. We're looking for your business." Government certainly needs to reach out to these people.

The Hon. COURTNEY HOUSSOS: Absolutely. When I was visiting Many Fabrication, as an example, we had a representative from the department who talked to them about some requirements, and they'll hopefully now be able to engage directly. The point you make, Mr Borsak, is exactly right. It's not just about government opening its doors and saying, "Come in." It's also about going out and encouraging and supporting local businesses to be able to do that, and we understand that opportunity as well.

The Hon. ROBERT BORSAK: Thank you. I'll come back to it again, if I get a chance.

Ms ABIGAIL BOYD: Good morning. Is it your Government's plan to make weapons manufacturing a major part of our domestic manufacturing mix?

The Hon. COURTNEY HOUSSOS: Ms Boyd, we are working on a range of measures to rebuild our manufacturing industry here in New South Wales. In relation to the specifics of industry policy, they're probably best directed to Minister Chanthivong. That's work that he has underway right now in determining the industry policy, and I'm working closely with him.

Ms ABIGAIL BOYD: In relation to domestic manufacturing, though, is it your understanding that weapons manufacture is going to be a major part of the mix under the Labor Government?

The Hon. COURTNEY HOUSSOS: I would say that, in relation to my ministerial responsibilities, I'm particularly interested in the government procurement opportunities and leveraging those to support our domestic manufacturing industry. We know that for every direct job in manufacturing, there are a further 3.5 in the supply chain. But my ministerial responsibilities are largely limited to the opportunities within government procurement. Broader industry policy is really a matter for Minister Chanthivong.

Ms ABIGAIL BOYD: On 21 February you held a round table, but it's not specified what that round table was for. Do you have the details of that in front of you?

The Hon. COURTNEY HOUSSOS: Sorry, on the 21st—

Ms ABIGAIL BOYD: In your ministerial diaries, on 21 February you met with a range of different stakeholders including the Advanced Manufacturing Growth Centre, but also including Circuitwise, Romar Engineering, Carbonix and a bunch of others. What was that round table in relation to?

The Hon. COURTNEY HOUSSOS: That was a round table that the Australian manufacturing growth centre hosted for me as part of my regular industry engagement. There was a representative of the manufacturing growth centre at our announcement on Tuesday. They're really keen to see the opportunities that we can realise through our Jobs First Commission and also through our "If not, why not" policy.

Ms ABIGAIL BOYD: Did you discuss weapons manufacturing at that meeting?

The Hon. COURTNEY HOUSSOS: I don't recall discussing that. I'm not aware of the New South Wales Government procuring weapons. I'm happy to be corrected on that, but really my focus is about finding the opportunities with government procurement and domestic manufacturing.

Ms ABIGAIL BOYD: But we're talking about domestic manufacturing. Circuitwise and Romar Engineering both provide electronics for weapons. Carbonix provides drones, including for military and surveillance and some of that really nasty application of drones in war. Were you aware that you were meeting with companies that were involved in providing weapons?

The Hon. COURTNEY HOUSSOS: The Australian manufacturing growth centre is an organisation that has previously received Federal Government funding and has been a way of bringing manufacturers together. I asked them to convene a round table of a range of stakeholders that would provide me with input about how they engage with government procurement policies and how they find that process. The overwhelming feedback that we received was similar to what I said to Mr Borsak, which is New South Wales is the hardest jurisdiction in the country in order to engage and access government procurement.

Ms ABIGAIL BOYD: I appreciate that, and I'm certainly not criticising the activities you've been doing around procurement policy. On 7 November last year, you had what's specified as a TAFE round table. Again, there were a number of companies at that round table who are involved in providing component parts for weapons. Were you aware of that when you had that meeting?

The Hon. COURTNEY HOUSSOS: That particular round table was convened by the skills Minister. I'm happy to be corrected, but I do think that may have been on the site of where the Premier, the skills Minister and our Federal counterparts are announcing today that we will be at Wetherill Park TAFE doing one of the advanced manufacturing centres for excellence. It was in the context of what are the skills that we need to be putting into Western Sydney, what are the opportunities that we can be unlocking and how can we be training our workforce in order to access those opportunities.

Ms ABIGAIL BOYD: In relation to that we've seen, both around Newcastle Airport and now around the proposed Western Sydney airport, a bunch of agreements and memorandums of understanding with companies that manufacture weapons—particularly global weapons manufacturers—and also connections with skills, TAFE and universities to try to skill up people to work in those industries, is it your Government's intention to provide a workforce for the global weapons manufacturers in New South Wales?

The Hon. COURTNEY HOUSSOS: In relation to the skills part of that question, I think that's really probably a question for Minister Whan and Minister Chanthivong, in relation to the opportunities that they see more broadly across industry. The thing that I am most concerned about from the skills component in my portfolio is what I announced earlier this week, which is that on government procurement projects over \$7.5 million, we will be requiring 20 per cent of the trades workforce to be apprentices. These are the kinds of opportunities that I'm looking for in relation to skills.

Ms ABIGAIL BOYD: Sure but, coming back to these questions, you've been carrying out these round tables in relation to the jobs and investments authority. There is obviously a large overlap between companies that are involved in mining and the export of coal and companies that could be involved in weapons manufacture. Is there a risk that we are draining our workforce that could be used for green energy projects and instead redirecting them towards weapons manufacture in New South Wales?

The Hon. COURTNEY HOUSSOS: I would say that questions about our future industries, where we should be fostering those and how we can be supporting them are really best directed to Minister Chanthivong. The opportunities for our clean energy future I completely agree with. In terms of my portfolio, we are talking a lot about the critical minerals that we can be unlocking and the opportunities there around copper—

Ms ABIGAIL BOYD: What's the jobs and investment authority doing, then, if it's not shepherding communities and businesses that are currently in those communities into other industries?

The Hon. COURTNEY HOUSSOS: Specifically in relation to future jobs and investment authorities, what are they doing?

Ms ABIGAIL BOYD: Yes. Are they going to be directing people into the hands of weapons manufacturers?

The Hon. COURTNEY HOUSSOS: We've now got a team set up within NSW Resources to be able to set up our future jobs and investment authorities. But, as you may be aware, consultation has just closed on our issues paper that we released. I think there were 89 submissions that we received as part of that process, and we're working through exactly what the structures will be. We want to be able to partner with local communities as we create those local investment authorities.

Ms ABIGAIL BOYD: What has the feedback been from the round tables, then? Because those round tables have involved a lot of those companies that are currently reliant on the coal industry and on coal export and also the same industries that could be used and redirected towards weapons manufacture. I don't want to labour the point too much, but people are very concerned that New South Wales is going to be replacing coal export with weapons export, given the cluster of these industries around our airports. What do you know, Minister, about your Government's intention in relation to weapons manufacture in New South Wales?

The Hon. COURTNEY HOUSSOS: I have to say most of the conversations at those round tables have been about unlocking future opportunities. There has been lots of talk about clean energy opportunities. I wouldn't want to mislead the Committee and speak, but I don't recall that being a key topic of conversation in relation to the discussions there. The discussions there were really about how we establish the local authorities. What's the time frame that we're working towards and how can we be using the convening power of government to really bring the community, government and workers together, and investment, obviously, to facilitate that investment? But I wouldn't say that that has been a key focus of the work of the future jobs and investment authorities.

Ms ABIGAIL BOYD: The draft New South Wales industry blueprint that Minister Chanthivong has been consulting on talks about so-called defence, which we know means weapons manufacture, as being a focus sector for New South Wales's industry. Are you saying that that has not played into the development of the jobs and investments authority and what transition might look like for coal communities?

The Hon. COURTNEY HOUSSOS: No, but I think you highlight a really good point, which is the coordination across government, which will be a crucial role for the authorities, and finding those opportunities, whether that be across Investment NSW or within our industry policy, and facilitating those. As you outlined, that is still a draft blueprint. We would certainly expect that once our future jobs and investment authorities are up and running, they would be working closely with our colleagues in Investment NSW and across government to be finding those opportunities. The other key part of the conversation is around planning and how we can be making sure that we are facilitating the formerly job-supporting lands and making sure that those jobs are actually continuing on.

Ms ABIGAIL BOYD: Will you rule out New South Wales becoming a weapons manufacturing hub?

The CHAIR: Order! The time for questions from The Greens has concluded. It's time now for questions from the Opposition. You've got a minute.

The Hon. DAMIEN TUDEHOPE: I think I have one minute, Minister, so I'll just ask you this. I think I probably already know the answer, but I just want you to repeat the—

The Hon. COURTNEY HOUSSOS: Why don't you ask me a question and I can provide you with an answer?

The Hon. DAMIEN TUDEHOPE: Noting that the CFMEU in its submission to the social issues committee of the Legislative Council called for the establishment of a New South Wales secure local jobs code, stating that, as a precondition of tender, tendering entities should have an enterprise agreement with the relevant union, will you categorically rule out adopting this proposal for a New South Wales secure local jobs code?

The Hon. COURTNEY HOUSSOS: I think this is the third time you've asked me this question. You've asked me in the Parliament, you've asked me a question on notice and now here in budget estimates. Let me complete the trifecta and say no. This is not something we are considering.

The Hon. DAMIEN TUDEHOPE: Have you been briefed on Operation Kingfisher in the ACT? Have you been briefed on that?

The Hon. COURTNEY HOUSSOS: Sorry, Mr Tudehope, you are now asking me about—

The Hon. DAMIEN TUDEHOPE: The Integrity Commission in the ACT conducted an integrity inquiry called Operation Kingfisher. Have you been briefed in relation to that integrity inquiry?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, this is the New South Wales budget estimates process. You are welcome to ask me questions—

The Hon. DAMIEN TUDEHOPE: I did. I asked you a question about whether you'd been briefed.

The Hon. COURTNEY HOUSSOS: —about operations in relation to a range of measures that are within my portfolio. I would just say that you are welcome to ask me questions in relation to my portfolio.

The Hon. DAMIEN TUDEHOPE: That's what I did.

The Hon. Dr SARAH KAINE: Point of order—

The Hon. DAMIEN TUDEHOPE: What's the answer? Have you been briefed?

The CHAIR: A point of order has been taken by Dr Kaine.

The Hon. Dr SARAH KAINE: There are three aspects to it now. One is that this whole morning we've had commentary by non-substantive members of the Committee, participating members who haven't been asking questions. I didn't understand that a participating member's role was to come in and provide some kind of jeering squad. That's the first issue. The second is that Mr Tudehope has asked a question which is well beyond the jurisdiction of this Minister and is not within the terms of reference. The Minister has mentioned that.

The Hon. DAMIEN TUDEHOPE: How do you know that?

The Hon. Dr SARAH KAINE: And then Mr Tudehope has continued to badger the Minister. Please, take your pick on any of those.

The Hon. DAMIEN TUDEHOPE: To the point of order: It was a specific question as to whether the Minister had been briefed on an integrity agency investigation.

The Hon. Dr SARAH KAINE: She answered you.

The Hon. DAMIEN TUDEHOPE: No, she did not.

The Hon. Dr SARAH KAINE: Yes, she did.

The CHAIR: Order!

The Hon. DAMIEN TUDEHOPE: It was a specific question to which, I would have thought, there was a specific answer. If the Minister is able to say no to that question, that's fine.

The CHAIR: I'll rule on that. I don't uphold that particular part of the point of order regarding the relevance and whether or not the Minister should be answering those questions. I do uphold the points made by Dr Kaine regarding interjections and discourteous treatment of witnesses. If we could desist from that that would help. But unfortunately—

The Hon. DAMIEN TUDEHOPE: Can I just get on the record the Minister's answer to that question?

The Hon. Dr SARAH KAINE: No, you can't. Your time is done.

The CHAIR: Minister, have you concluded?

The Hon. COURTNEY HOUSSOS: I've concluded.

The CHAIR: The Minister has concluded.

The Hon. DAMIEN TUDEHOPE: So, the answer is no.

The Hon. COURTNEY HOUSSOS: No. I have provided my answer. You don't get to ask the questions and give the answers, Mr Tudehope. You only get to ask the questions.

The CHAIR: Order! We now turn to questions from the Government. Minister, please desist from provoking the Opposition.

The Hon. STEPHEN LAWRENCE: I wanted to ask about the bulk-billing support initiative. Could you tell us what role that will have in delivering cost-of-living relief to families and households? Also, could you tell us how it will provide certainty around the payroll tax obligations of GP clinics?

The Hon. COURTNEY HOUSSOS: Thank you very much, Mr Lawrence, for an important question. This is an important cost-of-living measure that we announced in our budget. I'm delighted to report in the budget

estimate hearings that it is up and running as of yesterday. The night before last, the New South Wales Government wiped \$100 million worth of payroll tax liabilities that have been accumulated by our GPs under the previous Government's watch. This is an issue that has festered along for five long years. We engaged in a careful, considered and thoughtful consultation process with a range of stakeholders and in some deep policy work. I want to really pay tribute to my colleague Minister Park. We worked closely on this initiative. Yesterday, we were in Rouse Hill visiting a bulk-billing centre that sees more than 500 patients a day.

The Hon. Dr SARAH KAINE: Point of order—

The CHAIR: Order! Dr Kaine, I don't need to hear the point of order—

The Hon. Dr SARAH KAINE: Those two—they're participating. They're not even part of the Committee.

The CHAIR: —because I can't hear because of Waldorf and Statler over here. If we could desist from the conversations.

The Hon. DAMIEN TUDEHOPE: To the point of order: If the member wants to make that point of order, it applies both ways, in terms of the commentary.

The CHAIR: Order! We will have no pots calling any kettles anything. We will have order, we will have decorum and civility, and we will have an answer from the Minister.

The Hon. COURTNEY HOUSSOS: Thank you, Chair. This is a really important initiative because it wipes the historical payroll tax liabilities that were accumulated by our GPs. It gives them certainty. The key message that we got through the consultations that we undertook was the lack of certainty that this was giving to GPs across the State. We've given them that. Going forward, we're going to be supporting—for the very first time, the New South Wales Government is intervening to support bulk-billing.

That's because we don't want families and people to be thinking across New South Wales—we don't want them to have a second thought. If they need to see their doctor, we want them to be able to do that. That's what our bulk-billing support initiative talked about in the budget. We announced it in the budget and now it's in practice. It's a really exciting initiative. It's \$189 million. It's the first intervention to support bulk-billing because we understand the importance of affordable and accessible health care. We want to be pulling all the levers that we have to support that.

The Hon. STEPHEN LAWRENCE: Thank you, Minister. You've already touched on it, but what prompted the Government in taking this unprecedented intervention to support bulk-billing?

The Hon. COURTNEY HOUSSOS: Like I said, this was an issue that has festered around for five years. It created huge amounts of uncertainty. It emerged under the previous Government through a series of court rulings around the contractor provisions. Historically, a lot of our GPs have been contractors. There was immense uncertainty. That was really playing out in the delivery of health care for the people of New South Wales. We know that for every 1 per cent drop that we see in bulk-billing we see 3,000 additional presentations to our emergency departments. It actually is a unique set of circumstances where the Government has an opportunity to support—amongst a range of measures that the Minister for Health is doing—alleviating pressure on our emergency departments and to actually be providing primary health care and supporting bulk-billing in our community. It's a really exciting initiative. It's something that the previous Government—I note that the former Minister wants to walk out and not hear the answer, and refused to meet with the—

The Hon. SARAH MITCHELL: Point of order: My point of order goes to the Minister reflecting on the member. She has no reason to know why he may or may not have left. There are still three members of the Opposition here. She should withdraw that reflection on my colleague.

The CHAIR: There is no capacity to have a comment withdrawn. It's on the transcript, for better or worse now. But I do uphold the point of order. It is disorderly to make reflections on anyone participating in this Committee. Please desist from doing so, Minister.

The Hon. COURTNEY HOUSSOS: I would just note that this was an issue that has been around for years, and certainly in my multiple meetings with the peak organisations, with Minister Park and with a range of other affected stakeholders. The engagement from our Government to try and find a practical solution to this issue has now delivered for the people of New South Wales. I will say that our initiative is designed to support bulk-billing. That's certainly what we want to be able to do. We understand that the previous Federal Liberal Government's failure to index the bulk-billing incentives for more than a decade is really the true cause of the pressure on GPs. It's really going to be the way that we see a significant increase in those bulk-billing rates.

We have seen a slight uptick in the bulk-billing rates across New South Wales as a result of those tripling of the incentives that the Federal Labor Government did in the budget before last. We hope that these measures

will move together. What ForHealth said at our event yesterday is that this could actually—they have practices where they're going to be bulk-billing below the threshold. They're looking at increasing their bulk-billing rates so that they will be able to access this payroll tax rebate. That is welcome news for the Government at a time when we know families and households are under enormous pressure.

The CHAIR: No further questions from the Government?

The Hon. Dr SARAH KAINE: We're done.

The CHAIR: Thank you, everyone, for your questions and answers.

(Short adjournment)

The CHAIR: Thank you, Minister and officials, for returning. We will now recommence with questions from the Opposition.

The Hon. DAMIEN TUDEHOPE: Minister, I want to ask you some questions about Star. The Queensland Government has agreed to provide tax relief to The Star. Is your Government looking to allow or provide tax relief, be it payroll tax or gambling tax relief, to protect the thousands of jobs which may be at risk in New South Wales?

The Hon. COURTNEY HOUSSOS: The Treasurer is leading in relation to those conversations with Star. Perhaps the Secretary of the Treasury could provide you with an update.

MICHAEL COUTTS-TROTTER: The New South Wales Government has indicated to The Star that it's not prepared to consider deferring or waiving gaming tax or payroll tax.

The Hon. DAMIEN TUDEHOPE: Have there been discussions with either Steven Miles in Queensland or the Albanese Government in relation to how those jobs would be protected?

The Hon. COURTNEY HOUSSOS: As I indicated, Mr Tudehope, the Treasurer is leading on this matter, as he did in the negotiations last year with Star that guaranteed those jobs. As the secretary has outlined, the New South Wales Government is not considering that at this point. The indications that we have been provided with is that that support would not be supporting jobs here in New South Wales, so that's what our focus is.

The Hon. DAMIEN TUDEHOPE: So 3,000-odd jobs, I think it was at the time—and gaming tax relief was provided on the last occasion. Those 3,000 jobs are at risk.

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope, this was the Treasurer cleaning up a mess that your Government created. It was the previous Treasurer's—

The Hon. DAMIEN TUDEHOPE: I don't need the discussion. Just give me the answer.

The Hon. COURTNEY HOUSSOS: It was the implementation of the previous Treasurer's policies that created that uncertainty. The Treasurer and the Treasury spent an enormous amount of time—

The Hon. DAMIEN TUDEHOPE: It was the misbehaviour of Star that caused the uncertainty.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you can ask me questions and I get to provide you answers.

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: That's the way this works.

The Hon. DAMIEN TUDEHOPE: Don't give me the commentary.

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: Mr Tudehope, as I said, the Treasurer is leading on this particular issue. The secretary can outline the extensive negotiations that the Treasurer and the Treasury engaged in with Star last year to protect those jobs, but we are not currently considering those.

The Hon. DAMIEN TUDEHOPE: Do you accept then that 3,000 jobs may well be at risk if that tax relief is not provided?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, what I can tell you is that the Government invested an enormous amount of time and effort to protect those jobs, and to get a jobs guarantee last year and to put that in place. That is something that was, again, as I said, cleaning up a mess that we inherited. At this point, that is not something that we are considering, as the Secretary of the Treasury has said.

The Hon. DAMIEN TUDEHOPE: The mess that you inherited, of course, was of Star's own making, was it not, in terms of the manner in which they were conducting that operation?

The Hon. COURTNEY HOUSSOS: The questions about the operation for Star are questions for their board, and they're under investigation at the moment.

The Hon. DAMIEN TUDEHOPE: Correct.

The Hon. COURTNEY HOUSSOS: Like I said to you, if you have significant, substantive policy questions, then the Secretary of the Treasury can provide you with more information.

The Hon. DAMIEN TUDEHOPE: Last year the 3,000 jobs were really important and you gave gaming tax relief to secure those jobs, and, in fact, got concessions in relation to the introduction of cashless gaming. But this year, when the same jobs are at risk, you're not prepared to join with the Queensland Government to provide that tax relief. Is that the case?

MICHAEL COUTTS-TROTTER: The major call on Star's cash is the requirements to make payments into the Queen's Wharf joint venture. As the firm has indicated to the Australian stock exchange today, they're working with their lenders, their equity holders and other stakeholders to see if they can establish a plan to have sufficient cash to operate and meet those commitments, largely in Queensland.

The Hon. DAMIEN TUDEHOPE: But the plan would be helped, would it not, if there was some concession made by the New South Wales Government? Last year we were prepared to do it—not this year.

MICHAEL COUTTS-TROTTER: I think the situation confronting the Government last year is different to the situation confronting The Star this year. It's under pressure, but it's under pressure for different reasons. The assessment, when the Government stepped in last year, was that if it went ahead with the increase in taxes that were proposed, that, of itself, would be a decision that would render the firm unviable. That was the reason for the negotiations that concluded with a different and transitional approach to the tax increase and the jobs guarantee. The situation facing the firm now is much more complex.

The Hon. SARAH MITCHELL: Minister, I want to ask a few questions in relation to the recent decision by the Court of Appeal in relation to the Bowdens Silver mine project. What's the Government's response to the decision to uphold the appeal that was lodged?

The Hon. COURTNEY HOUSSOS: As we've extensively canvassed in the first session of questioning, our Government is absolutely committed to realising the opportunities that critical minerals and high-tech metals present for New South Wales in terms of investment and in terms of jobs. That's particularly the case across regional New South Wales. We know that these can be key drivers for important jobs in our local communities. In relation to the decision on the Bowdens Silver mine, I respect the court's decision. It is a significant and recent decision and I know that the planning department is working through those implications of the decision. It was highly technical but, again, as is the case with the McPhillamys project, we are focused on practical solutions to ensure that these projects can go ahead.

The Hon. SARAH MITCHELL: Does the Government want to see this mine proceed?

The Hon. COURTNEY HOUSSOS: Of course. This is a mine that has gone through the independent planning process, and we support projects that have been assessed through that robust process.

The Hon. SARAH MITCHELL: Do you have any details in terms of the financial implications for the State if this project doesn't go ahead?

The Hon. COURTNEY HOUSSOS: The Treasury secretary—we've spoken about this at length, about the way that royalties are calculated in to the future budget projections, so the secretary could provide you with some more information in relation to that.

The Hon. SARAH MITCHELL: I might come back to that this afternoon.

The Hon. COURTNEY HOUSSOS: But, of course, we model them but we consider them carefully before we factor them in to the future projections. You would be aware that the key contributor to royalties is coal royalties and that is the vast majority of the income that we receive.

The Hon. SARAH MITCHELL: You mentioned critical minerals and the importance of critical minerals to the State. Given that you've got both silver and zinc on your critical minerals list, what does this decision mean for your critical mineral strategy? How will it be impacted?

The Hon. COURTNEY HOUSSOS: You're right to highlight that those two are on our critical minerals list and that we want to be finding opportunities to unlock these critical minerals resources we have. They belong

to the people of New South Wales, and we want to be able to do that within a rigorous environmental and heritage approvals process. It's a really technical decision, this court decision. It's certainly being thought through and considered by the planning department. I've been briefed by them and will continue to engage with them about ways that we can be encouraging more investment in our critical minerals and our high-tech metals opportunities.

The Hon. SARAH MITCHELL: Would you look at recommending the project as a critical State significant project?

The Hon. COURTNEY HOUSSOS: I am aware of this proposal. Indeed, that was part of the Minerals Council's submission to our Critical Minerals and High-Tech Metals Strategy. They made a submission that that would be the case. My understanding is that would not have changed the outcome of that. But, ultimately, they're really Planning questions that are best directed to Minister Scully.

The Hon. SARAH MITCHELL: I have one last question in relation to this issue, Minister. You talked about being briefed by Planning—I think you said that just then. Has there been any advice that you've been given from Planning in regard to what avenues there might be for the company to get its approvals back in place in a timely manner?

The Hon. COURTNEY HOUSSOS: They are working through what the next steps are.

The Hon. SARAH MITCHELL: "They" are the company and Planning?

The Hon. COURTNEY HOUSSOS: The company and the planning department are working through the implications of the decision. But as you would be aware, the planning system is complex. There are a number of different steps, and this was a highly technical decision that may have broader implications. That is all being considered by the planning department at this time.

The Hon. SARAH MITCHELL: I want to take you now to the statutory review into small-scale titles, which we have spoken about before. Obviously, since we last sat and I asked about these issues, the independent review has been publicly released. I want to go to some of the specifics. The review has recommended that the charges for obstruction for a landholder be increased from 100 to 500 points. Do you agree with that?

The Hon. COURTNEY HOUSSOS: As I have spoken about many times in the House, this was a legacy issue that I inherited. Amongst the very first briefings that Ms Beattie provided me with was to say that more than 3,340 mineral claims have been incorrectly issued, unlawfully issued.

The Hon. SARAH MITCHELL: Can I direct you to the question, Minister? The history isn't relevant.

The Hon. COURTNEY HOUSSOS: Because of that decision, we had to undertake a series of actions. I really want to pay tribute to the Hon. Stephen Lawrence for the—

The Hon. SARAH MITCHELL: Sorry, Chair, can I just—I have really limited time, Minister. I've asked a very specific question about a review that was made public last week, not about the history or what Mr Lawrence has been doing.

The Hon. COURTNEY HOUSSOS: —support and the great way that he has been contributing to that.

The Hon. SARAH MITCHELL: Point of order: It is a point of order on relevance. I asked a very specific question about a recommendation around changes to obstructions for landholders. I'd like an answer to my question, not the history. I have eight minutes.

The Hon. STEPHEN LAWRENCE: To the point of order: I would say that it's a directly relevant answer. It might not be the one that is sought. It's not a point of order.

The CHAIR: There is no point of order. I was listening closely to what the Minister was saying. She was providing some context—

The Hon. SARAH MITCHELL: It's a specific question. The local community want to know.

The CHAIR: —and then, also, was being directly relevant and answering your question.

The Hon. SARAH MITCHELL: Minister, do you agree with the 100 to 500 points?

The CHAIR: Had you concluded, Minister?

The Hon. COURTNEY HOUSSOS: No, Mr Buckingham. That was the first step—that the licence had been unlawfully issued. The very first course of action that we took was to start reissuing those licences correctly, which managed to get a number of miners back onto their mineral claims, because we understand the importance of opal mining, particularly to the communities of Lightning Ridge and White Cliffs. The second thing that we did was to pass legislation through the Parliament, which then validated—

The Hon. SARAH MITCHELL: Point of order: I asked a very specific question, relating to an independent review that was handed down last week, about whether the Minister agrees with the proposal to increase the charges for obstruction from 100 to 500 points. I've now had a minute and a half of that question not being even remotely addressed.

The Hon. STEPHEN LAWRENCE: To the point of order—

The Hon. SARAH MITCHELL: How much protection do you need to run? It's not a hard question.

The CHAIR: Order!

The Hon. STEPHEN LAWRENCE: It's my submission that the appropriate way to address this issue is to redirect the witness. Then, if a point of order is taken, there will be an issue about whether the Minister has had a reasonable time to answer. But it's not a point of order if a witness is giving relevant evidence. It's not for the person making the point of order to seek to get a particular answer. But if she wishes to redirect, then it will be a matter for us, or someone else, to take a point of order or not.

Ms SUE HIGGINSON: To the point of order: We've been given the notice that we actually can't redirect, so the member's point of order is relevant. It's not about not liking the Minister's answer; it's about asking the Minister to be directly relevant, and because we can't redirect, that is such an important point for members.

The Hon. STEPHEN LAWRENCE: Further to the point of order: My understanding is that you can redirect but it's a question of whether a reasonable opportunity has been given to answer. That is an important point for members to understand, because if that's a blanket rule, "You can't redirect", there will just be one question at the beginning, sometimes, and people will just continue forever. You can redirect.

The CHAIR: I won't uphold the point of order, but I ask the Minister to come to the point directly, and answer the question.

The Hon. SARAH MITCHELL: People in Lightning Ridge and White Cliffs are watching, Minister. What is your view on the 100 to 500 points?

The Hon. COURTNEY HOUSSOS: And the people of Lightning Ridge and White Cliffs know exactly who failed to lawfully issue the mineral licences for 12 years.

The Hon. SARAH MITCHELL: It's a specific question about what's in your review that came out last week. Do you agree with what was recommended or not?

The Hon. COURTNEY HOUSSOS: The third part of what we have done to fix up the mess that you gave to us in relation to opals, where you unlawfully issued licences for decades, was an independent review.

The Hon. SARAH MITCHELL: People want to know what you have done with this review and do you agree with the recommendation?

The Hon. COURTNEY HOUSSOS: The independent review has more than 80 highly technical recommendations and so what I have done is asked the Hon. Stephen Lawrence—

The Hon. SARAH MITCHELL: Why don't you do it? You're the Minister.

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: —to convene a working group, which includes the White Cliffs Miners' Association, the Lightning Ridge Miners' Association, the Farmers' Association, the local Crown land manager, Aboriginal land council and other local representatives to work through these recommendations. I want to thank the Hon. Terry Sheahan for the important recommendations that they made, and also Norton Rose Fulbright. This was the first review that was done in more than a decade.

The Hon. SARAH MITCHELL: Thank you, Minister. You've answered my question by saying that you are going to get Mr Lawrence to do the work.

The Hon. COURTNEY HOUSSOS: No, I'm going to reject that. I'm going to reject what you just said.

The Hon. SARAH MITCHELL: That wasn't a negative. You've asked him to chair the committee. You just said that.

The Hon. COURTNEY HOUSSOS: What we have done is commissioned an independent review that has a range of more than 80 recommendations—

The Hon. SARAH MITCHELL: And you've asked him to chair the committee.

The Hon. Dr SARAH KAINE: Point of order—

The CHAIR: Order! I just turned my attention away for 10 seconds and it has become a rabble.

The Hon. Dr SARAH KAINE: You don't need my point of order, Chair? I think you know what it is.

The CHAIR: There was a point of order taken. Please, the Minister is answering. I do not think it helps for the conduct of this hearing to interject over the top, Mrs Mitchell. You may not like the answer, but it doesn't help the conduct of the inquiry to be constantly commenting over the top.

The Hon. SARAH MITCHELL: Thank you, Chair. That wasn't a reflection. You did ask Mr Lawrence to chair a committee, so that's what I was saying. I wanted to know whether you, as Minister, have a view on the proposed grid system that's been recommended by the review?

The Hon. COURTNEY HOUSSOS: The review has made more than 80 recommendations. Before we formulate our whole-of-government response to this problem that we inherited from your time in government, we are consulting closely with the local community.

The Hon. SARAH MITCHELL: But you have no public commentary, no view, no indication of your view as Minister?

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: Mr Lawrence is continuing his important work in engaging with the local community. I have to say, I heard feedback when I visited Lightning Ridge about the way that they had been neglected for more than a decade, how excited they were to have a Minister come and engage directly with them—

The Hon. SARAH MITCHELL: That's not what we're hearing.

The Hon. COURTNEY HOUSSOS: —and before we make decisions that are directly going to impact the industry, we're going back to them to say, "Give us your feedback. Tell us about how we should be implementing this".

The Hon. SARAH MITCHELL: Can you give me a time frame of when you expect to have that government response and that certainty? To be frank, Minister, we can't get any indication from you today whether the Government is entertaining any or all of the recommendations. So what is the time frame of when you expect to have your final government response?

The Hon. COURTNEY HOUSSOS: As a former Minister, you would know that when you engage an independent review you ask for their perspective on it.

The Hon. SARAH MITCHELL: Which you've now got.

The Hon. COURTNEY HOUSSOS: As we formulate our whole-of-government response we're going back to the communities affected—

The Hon. SARAH MITCHELL: So when you do expect to have your whole-of-government response released?

The Hon. COURTNEY HOUSSOS: —and engaging with them so that we can formulate our whole-of-government response. I am sure that we would—

The Hon. SARAH MITCHELL: What's the time frame for that, Minister?

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: We would aim to have that work completed by the end of the year.

The Hon. SARAH MITCHELL: Thank you. That's all I wanted to know.

The Hon. COURTNEY HOUSSOS: But I'll say this: Under your Government, I have sat on enough parliamentary inquiries that have recommended genuine consultation—

The Hon. SARAH MITCHELL: I'd like to move along. This is not relevant.

The Hon. COURTNEY HOUSSOS: That might be something that you find—

The Hon. SARAH MITCHELL: Point of order: I asked the Minister, "When?" She said, "The end of the year." I have my answer. I'd like to move on to a new topic, if I can, please?

The CHAIR: I do think that the Minister was straying beyond the remit of the question. I uphold the point of order.

The Hon. SARAH MITCHELL: Briefly, Minister, the Royalties for Rejuvenation program which I asked you about last time—is it true that the panel chairs made a recommendation to you in August last year to consider opening an initial round of the fund for applications?

The Hon. DAMIEN TUDEHOPE: This is a farce.

The Hon. COURTNEY HOUSSOS: Sorry, can you repeat the question? I didn't hear it; Mr Tudehope was interjecting.

The Hon. SARAH MITCHELL: Is it true that the panel chairs made a recommendation to you in August last year that you consider opening an initial round of the fund for applications?

The Hon. COURTNEY HOUSSOS: What I can tell you about the expert panels is that I want to thank the members of the expert panels. There are a range of community members who were appointed by your Government.

The Hon. SARAH MITCHELL: That's not what I asked.

The Hon. COURTNEY HOUSSOS: We don't think that this is the right model to be able to—

The Hon. SARAH MITCHELL: That's fine, Minister. I appreciate that. You can do this in a Dixie from your own side.

The Hon. COURTNEY HOUSSOS: You can ask me a question, Ms Mitchell—

The Hon. SARAH MITCHELL: My question was very specific.

The Hon. COURTNEY HOUSSOS: —and I can provide you with an answer—

The Hon. SARAH MITCHELL: Did they provide advice to you?

The Hon. COURTNEY HOUSSOS: —or you can just talk over me the whole time.

The Hon. SARAH MITCHELL: Did they provide advice to you in August last year to consider opening an initial round of the fund for applications?

The Hon. COURTNEY HOUSSOS: Ms Mitchell, I've been really clear about the process that we are undertaking in order to plan a future away from coal for those four key regions that we're talking about.

The Hon. SARAH MITCHELL: That's not what I've asked you. With respect, Minister, that's not what I'm asking you. Did they provide advice to you?

The Hon. Dr SARAH KAINE: Point of order—

The Hon. SARAH MITCHELL: This is just ludicrous.

The Hon. Dr SARAH KAINE: Chair, you've asked Ms Mitchell multiple times today not to speak over the Minister and to let the Minister answer. She continues to do that, and I ask that you call her to order.

The Hon. SARAH MITCHELL: She's not answering my question!

The Hon. DAMIEN TUDEHOPE: To the point of order: This Minister, aided and abetted by the decisions which we are taking, just says what she likes and is given the excuse that it may not be the answer you like. But there is a process which doesn't bring this Committee into disrepute if, in fact, she is invited to actually answer the question she is asked.

The Hon. Dr SARAH KAINE: I think he is reflecting on the Chair.

The CHAIR: Are you reflecting on my decisions?

The Hon. DAMIEN TUDEHOPE: No. I'm just suggesting to you that that is not the appropriate response in every single case. This Minister—

The Hon. COURTNEY HOUSSOS: Brave move.

The CHAIR: I think you said, "aided and abetted by the decisions that we are making".

The Hon. STEPHEN LAWRENCE: Point of order: That's clearly a reflection on the Chair.

The Hon. SARAH MITCHELL: No, we haven't finished this.

The CHAIR: Order! It is your member that has raised that issue.

The Hon. SARAH MITCHELL: Is this a new point of order? I've got a contribution to the old point of order.

The Hon. STEPHEN LAWRENCE: It's a point of order on the contribution made on the point of order.

The Hon. SARAH MITCHELL: Well, he hasn't ruled on the original point of order.

The Hon. STEPHEN LAWRENCE: It's a misuse of the process, I would suggest, to say those things. It is a reflection on the Chair and therefore disorderly.

The Hon. SARAH MITCHELL: No, this isn't the right protocol.

The CHAIR: It is a reflection on me, and I call you to order for the second time, Mr Tudehope.

The Hon. SARAH MITCHELL: Could I get a ruling from you, Chair, on the original point of order and particularly the comments made by my colleague about actually not getting any answers from the Minister to the questions that we've been asking?

The CHAIR: I will rule on that. The Minister was being relevant to the question.

The Hon. SARAH MITCHELL: Which she didn't answer.

The CHAIR: You may not like the answer, but she was providing some context and being relevant to the question.

The Hon. SARAH MITCHELL: But she didn't—and now my time is up.

The CHAIR: And repeatedly this morning you've asked a question and within a matter of moments started interjecting with reiterating the question, not really listening. I don't have much sympathy with your point of order, so I don't uphold it.

The Hon. SARAH MITCHELL: She was thanking the panel and not answering. Well, that's my time, so thanks.

The CHAIR: That's no problem at all.

The Hon. ROBERT BORSAK: Minister, quite often in New South Wales small business can be subjected to unfair competition, with larger local and multinational suppliers using a loss leader approach to tendering. How will your planned changes work to sort this sort of system out?

The Hon. COURTNEY HOUSSOS: That's a great question. As I alluded to in my previous answers to you, we are really interested in finding ways—and more ways, better ways—for our small- and medium-sized businesses to be engaging and to be accessing those government procurement dollars. One of those methods was, as I outlined in the first ministerial direction that I issued last year, to allow them to increase the threshold for their direct dealings with government, but also then to reduce the red-tape requirements on when they do get on to procurement panels. What we were hearing from Business NSW and from small businesses around the State was that they desperately wanted to do business with government but that the process was so onerous that it actually wasn't worth it in the end. So, I made the ministerial direction last year to allow an increase in the threshold for direct dealings with government, but also to reduce those red-tape requirements.

The Hon. ROBERT BORSAK: Minister, I'm not actually sure that addresses the question I asked, because when loss leading quotes are chucked into the system, how do you actually know that they're doing it? I mean, where in that whole process—who's got the overview to see what's happening in relation to this? There are examples in software and perhaps capital equipment where supplies are pitched low at the low end, and then once you get to the end of it, non-delivery or whatever else comes up and the contracts are ratcheted up.

The Hon. COURTNEY HOUSSOS: I think, Mr Borsak, the points that the secretary outlined earlier around the way that we will structure local content as part of our tender weightings under the Jobs First Commission will take some of those things into consideration. It's not just looking at the lowest unit cost for the initial purchase, but it's about those flow-on effects. Let me give you a great example of the Mariyung trains—the intercity fleet, as it was known—that was procured from Korea. It's now five years late and more than \$4 billion over budget, because this ideological obsession with going offshore, seeking the lowest unit cost, has actually resulted in a much larger bill for the New South Wales taxpayer.

The Hon. ROBERT BORSAK: That's a good question. You say "ideological"; I don't know whether I agree with that or not. But, in the end, what actually could potentially drive that from the Opposition's point of view, in your view? I mean, I could redirect the question to the former finance Minister here too, but I won't do that right now.

The CHAIR: Don't.

The Hon. COURTNEY HOUSSOS: Look, I think we have a really different approach. We want to be able to support local jobs, local investment and local businesses, and we are able to do that explicitly within our tender processes by allowing for a local content weighting. We think that that will actually give a level playing field for local contractors. Let me give you another example. I was out earlier this week with a great company that your supporters and members will probably be familiar with: GME, who make emergency beacons and CB radios—I would probably call them walkie-talkies. The level of safety requirements on these kinds of lifesaving devices and the excellent work that they are doing out in the heart of Western Sydney, supporting jobs, a company that has been—

The Hon. ROBERT BORSAK: That's a good example, but how do they compete against Motorola, for example?

The Hon. COURTNEY HOUSSOS: Exactly, and that's exactly what we were out there talking to them about, which is that they can't at the moment. They have a fantastic local business. They're employing hundreds of local workers with really highly advanced manufacturing in the heart of Western Sydney, but they can't access government contracts. And so what we are trying to do by taking local content into consideration and a broader view of what value for money represents for the people of New South Wales—we want to be supporting businesses like GME, like Many Fabrication, like so many other hardworking small- and medium-sized businesses who, to be frank, are survivors of the last 12 years of neglect by the previous Government as they looked offshore instead of looking in our own backyard.

The Hon. ROBERT BORSAK: That actually takes me to my next question. You did touch on it earlier. Can you explain how this focus or refocus on local New South Wales jobs and small businesses is not contravening the Australian free trade obligations?

The Hon. COURTNEY HOUSSOS: Yes. That's why we've crafted our two complementary policies of the Jobs First Commission and the "If not, why not" policy that we brought into effect through my ministerial direction earlier this week. The idea is that we will support local businesses—and I have to say, I think it's a pretty elegant solution that balances the compliance that we have and the requirements under our free trade obligations. Obviously, Australia's Constitution—we're not operating in isolation here. The unique history we have with New Zealand—but community expectations and what we see in other States, which is governments should look to their own local backyards first.

The Hon. ROBERT BORSAK: But have you got a legal opinion already in relation to this?

The Hon. COURTNEY HOUSSOS: Yes, we have.

The Hon. ROBERT BORSAK: Secretary, can you maybe throw a bit of light on that?

MICHAEL COUTTS-TROTTER: We do. We have taken advice from the Crown Solicitor's Office on the issues you raise. As the Minister was describing, the three elements of the policy are designed to achieve the Government's policy objective while not falling foul of Australia's international agreements.

The Hon. ROBERT BORSAK: What weighting to local jobs and investment is accorded to local industry under the current procurement arrangements implemented and run by the previous Government?

The Hon. COURTNEY HOUSSOS: As I provided you with a copy of the previous ministerial direction that we've repealed, they were actually prohibited from being taken into account. Any condition requiring the use of domestic content was actually outlawed by the previous Government. We take a completely different approach. We think that we should be looking to local content and local content opportunities. Mr Borsak, like I said to you, we are not first movers. Every other State and Territory is managing to balance its free trade obligations and support local industries. We want to be doing the same.

The Hon. ROBERT BORSAK: Is that regardless of the flavour of the Government—Labor or Coalition?

The Hon. COURTNEY HOUSSOS: That's why we're going to be introducing legislation. We want to see this enshrined through the Parliament. We want this to be there for future generations. We actually think this should be an issue that's above politics. Everyone should be supporting local jobs and local investment.

The Hon. ROBERT BORSAK: Have you got a financial goal in mind in relation to the \$42-odd billion that the Government spent? Is there a target you'd like to reach?

The Hon. COURTNEY HOUSSOS: We certainly want to increase the proportion with small and medium-sized businesses and with local businesses. Part of the challenge that we have operating under the

devolved procurement model is that we don't actually collect a lot of data centrally—in fact, almost no data. That's part of the challenge. Once we start to map that, then we might start to set some targets.

The Hon. ROBERT BORSAK: So you don't actually have a target.

The Hon. COURTNEY HOUSSOS: Not at this stage. At this stage we need to just start collecting the information. We can't set a target when we don't know what our baseline figures are.

The Hon. ROBERT BORSAK: That leads me to the next question. In the \$42 billion or \$40 billion or whatever it was in previous years, do you know what the ratio of local placement was?

The Hon. COURTNEY HOUSSOS: I'd have to take that one on notice.

The Hon. ROBERT BORSAK: Maybe you could produce something on that for us, please.

The Hon. COURTNEY HOUSSOS: Yes, I would be happy to come back to you.

The Hon. ROBERT BORSAK: It would be nice to be able to measure what your new policy is in the next three or four years, compared to what the previous Government's policy was, given what I've seen here in the procurement direction 2019.

The Hon. COURTNEY HOUSSOS: We would certainly want to be able to map that as well—I am hearing some whispers.

MICHAEL COUTTS-TROTTER: We're happy to try to come back to you this afternoon, Mr Borsak.

The Hon. ROBERT BORSAK: If you can do that, that would be good—if you can get that moving.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. ROBERT BORSAK: Getting back to regional areas again and my bias for the bush, how will your value for money policy work in supporting employment and supporting regional economies and small businesses in those economies?

The Hon. COURTNEY HOUSSOS: Like I said to you earlier, Mr Borsak, the feedback that I have certainly got has been pretty universal across Western Sydney, Sydney and regional New South Wales: They want to be able to access government procurement dollars. The other part is—and you would know this yourself, Mr Borsak—often what local companies are looking to do before they can go offshore is to actually show a track record of procuring with their local government so then they can find either international opportunities, international investment or other international purchasing opportunities. But that track record with your local government is actually so crucial to that. I have to say, that feedback that I've been hearing is universal right across the State. So, as a first step, we'll introduce our local content policies, but I wouldn't rule out further things in the future.

The CHAIR: Minister, what is the New South Wales Government doing, if anything, to benefit from the nascent medicinal cannabis and cannabis manufacturing industry that is emerging globally?

The Hon. COURTNEY HOUSSOS: Thank you, Mr Buckingham, for the question. This is certainly something that you have raised with me, and I know that you've got the—I going to mess up the name—taskforce that you're working with Minister Moriarty on.

The CHAIR: That's the Hemp Industry Taskforce. That's a totally different area; I'm talking about medicinal cannabis.

The Hon. COURTNEY HOUSSOS: My apologies. Isn't there an upper House inquiry into this at the moment?

The CHAIR: There is an inquiry into the regulatory framework for cannabis in New South Wales, that's right.

The Hon. COURTNEY HOUSSOS: I would be open to any opportunities to rebuild our domestic manufacturing. As I said earlier to Ms Boyd, my focus really is on the government procurement aspects of domestic manufacturing. I think, as a first step, to rebuild our manufacturing sector we need to be looking at how the Government is spending its money and how we can be supporting those direct jobs but then, also, those further 3.5 in the supply chain. But I would be open to your feedback on this.

The CHAIR: The global cannabis market at the moment is valued at \$50 billion—legal cannabis at \$50 billion—with a compounding annual growth rate of 34 per cent. It's forecast by *Fortune* to be worth \$450 billion by 2030, with the global market dominated by 81.7 per cent of North American cannabis products. Are we missing out on one of the biggest export commodities and one of the biggest industries that's going to

emerge globally, probably in history, in New South Wales? Are we capitalising on the opportunity to create a domestic agricultural and then manufacturing industry in New South Wales?

The Hon. COURTNEY HOUSSOS: Those figures—I'm not familiar with them, but I will take your word for it.

The CHAIR: Don't you think the Government should be, if there's—

The Hon. COURTNEY HOUSSOS: I think they're pretty compelling. Like I've said to you, in terms of the immediate priorities that I have within my portfolio of domestic manufacturing and government procurement, it's really about the two working together. But it sounds like there's an opportunity there.

The CHAIR: Massachusetts has a population of six million, so it's about the same size as New South Wales, and it has 30,000 people working in its cannabis industry. There's a huge opportunity for us to transition some of our workforces out of, say, natural resources, like in the Hunter. Is that something that the Government is considering?

The Hon. COURTNEY HOUSSOS: I'm not aware of any immediate considerations but, like I said to you, in relation to my specific portfolios, I'm not sure that it would cross over in relation to government procurement and domestic manufacturing, but it sounds like it's an opportunity.

The CHAIR: I'm talking about post-mining land use in terms of the transition out of coal and other heavy industries such as forestry into what will be one of the biggest global commodities traded in coming decades. Is that not an opportunity that you think we should be taking right now?

The Hon. COURTNEY HOUSSOS: I would be open to any opportunity for us to find future investment and future trade opportunities. In terms of the targeting of government support, that would probably fall under, like I said earlier, Minister Chanthivong, in relation to his industry policy. But we're going to be working closely together, and I'm happy to keep talking to you about it.

The CHAIR: Is the Government addicted to the revenue coming in from problem gamblers, when the point of consumption tax has gone from nothing to nearly \$1 billion dollars per annum? What's your view on the point of consumption tax, and have you done any forecasting as to where you expect it to go over the coming years?

The Hon. COURTNEY HOUSSOS: Yes. I did see that you asked the Treasurer some questions in relation to this as well during his budget estimates. The Treasury Secretary has helpfully provided me with his copy of the budget papers, but I know he is working closely with the Treasurer on this particular issue and might be well-placed to provide you with an answer. There's no doubt that taxes on gaming are a key source of income for the State. In relation to the point of consumption tax, we have indicated a reform pathway, but I might just hand to the Secretary.

MICHAEL COUTTS-TROTTER: I don't think I've got anything to add to the discussion at the Treasurer's estimates on this one.

The CHAIR: Aren't you concerned that that revenue that's coming into State Government coffers is based on the problem gamblers and the harm that that causes in the community in terms of loss of employment, family breakdown, its interrelationship with domestic violence and the like? Do you have any concern that the Government is getting rich off problem gamblers and not doing anything, ostensibly, to limit that in terms of supporting moves to ban online gambling ads?

The Hon. COURTNEY HOUSSOS: There were a few different parts to that question. I would just make this point, yes, we are reliant on the limited sources of revenue that we have due to the vertical fiscal imbalance that we face as a State. We do have a range of programs that are in place to support problem gambling, and Minister Harris would be well placed to provide you with some more evidence around those. But there is no doubt, as the Treasurer said the other day, that the State has taken the view that it is better to regulate these industries and then provide the tax revenue to the people of New South Wales rather than simply allowing them to occur.

The CHAIR: Where do the Treasury and Revenue NSW forecast the POCT to be in four years' time?

MICHAEL COUTTS-TROTTER: As contained in page 4-7 of *Budget Paper No. 01*, we think the POCT will raise \$358 million in 2027-28, and gambling and betting taxes as a whole, about \$4 billion. That's about \$4 billion of around \$120 billion in revenue, so it's not insignificant, but it is a relatively small part of our overall revenues.

The CHAIR: Minister, on 18 June 2024, you said that you were in the final stages of finalising the critical minerals strategy and that, when that was done, you would "turn to updating the statement on coal". On

Wednesday 28 August, the Premier said you were "in the midst of rewriting the coal statement" and that the Government had made that "clear to proponents of coalmines" and that the Barilaro statement "will be replaced by the incoming Government's view". Can you confirm that you're in the midst of this review?

The Hon. COURTNEY HOUSSOS: We've certainly begun the preparations to start reviewing the former Government's strategic statement on coal exploration and mining. The first tranche of that work is really about mapping the coal industry's current and future states. We released that as part of the future jobs and investment consultation paper. For the first time, we mapped those planning approvals for coalmines just to give us a sense of what are the future expectations. Now we obviously need to map those against the IEA's projections about what's going to happen to global demand. But we are certainly going to do this carefully and make sure that it's a data-informed approach.

The CHAIR: The Government has modelled that against the IEA's STEPS model. Why haven't you modelled it on the basis of the APS or NZE models?

The Hon. COURTNEY HOUSSOS: Sorry, Mr Buckingham. You may have misunderstood, and maybe I wasn't clear in what I said. We have mapped the planning approvals as they are existing within the existing system. I would also say as part of that—for example, we've mapped that the Integra mine is due to close in 2035. The company took a decision to close that mine early. There's going to be a range of different decisions, but for the first time we have mapped what those planning approvals are—what's the time frame and the horizon that we're looking at. I expect that as part of the strategic statement on coal we would consider things like the IEA projections, but that—

The CHAIR: Which one of those projections?

The Hon. COURTNEY HOUSSOS: I'm not going to rule things in or out here, Mr Buckingham. We have just begun the preparations to start reviewing that. If you have feedback, I would be happy to take that onboard, but we've begun those conversations in government.

The CHAIR: Have you had any of those conversations with third parties—the Minerals Council?

The Hon. COURTNEY HOUSSOS: No, not at this stage.

The CHAIR: What's the plan for public consultation around that statement? Will there be public consultation? Will there be an opportunity for community feedback into that important policy document?

The Hon. COURTNEY HOUSSOS: We haven't formulated exactly what that will look like yet, but I think it's important that we just want to begin the discussions across government so that we can make those meaningful conversations.

The Hon. DAMIEN TUDEHOPE: Minister, has your office or you had any discussions with Mr Borsak's office about the questions he would ask you in estimates this morning?

The Hon. COURTNEY HOUSSOS: I'm sorry, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: Has your office or you had any discussions with Mr Borsak about the questions he would ask you in estimates this morning?

The Hon. STEPHEN LAWRENCE: Point of order—

The Hon. COURTNEY HOUSSOS: I have a range of conversations with Mr Borsak on a range of—

The Hon. STEPHEN LAWRENCE: I'm just struggling to see how that's relevant to the portfolio of the Minister.

The Hon. SARAH MITCHELL: Just conveniently have this to table in multiple copies. What a surprise!

The Hon. ROBERT BORSAK: Funny about that—I can actually read a media release, which you said you didn't have. There it is there! Didn't you have the media release?

The CHAIR: Order! Mr Borsak, I'm trying to listen to Mr Lawrence.

The Hon. STEPHEN LAWRENCE: I'm genuinely struggling to understand how the answer to that question could be relevant to the task before us, which is to inquire into the budget. I mean, a question is to be judged on the basis of the question and then, an answer, as the answer. In terms of going into who's talked to who or whatever is a very strange, I would suggest, and irrelevant question.

The CHAIR: I do not uphold the point of order because it may be strange or weird, but I think it's within the remit of this hearing and this inquiry. I will allow the question.

The Hon. COURTNEY HOUSSOS: I'm happy to tell Mr Tudehope that I regularly engage with Mr Borsak and with large numbers—in fact, I think I try to engage with all of the crossbench about key announcements. The announcement that I made on Tuesday is going to be presented to the Parliament for consideration.

The Hon. DAMIEN TUDEHOPE: That's not what I asked you.

The Hon. COURTNEY HOUSSOS: I would invite you, Mr Tudehope, to support that legislation as well—

The Hon. DAMIEN TUDEHOPE: Point of order: This is a specific question.

The Hon. COURTNEY HOUSSOS: —in order to support local businesses and local investment and local jobs.

The Hon. DAMIEN TUDEHOPE: I asked her about the questions he was to ask this morning.

The CHAIR: Sorry, Mr Tudehope on a point of order.

The Hon. DAMIEN TUDEHOPE: It's the relevance of this answer. I asked a specific question about discussions with Mr Borsak about the questions he would ask in estimates this morning.

The Hon. STEPHEN LAWRENCE: To the point of order: I think this is a classic example of not getting the answer that you want, but it is clearly relevant.

The CHAIR: I uphold the point of order. It was a very specific question. The Minister had provided some context and answered, and then was straying beyond relevance. I ask the Minister to come back to the direct question or conclude.

The Hon. COURTNEY HOUSSOS: Did you have a question, Mr Tudehope?

The Hon. Dr SARAH KAINE: She concluded.

The Hon. DAMIEN TUDEHOPE: I did—it's the same question. Did you or your office have any discussions with Mr Borsak about the questions he would ask in estimates this morning?

The Hon. Dr SARAH KAINE: You're using your time on this?

The Hon. COURTNEY HOUSSOS: You can keep asking me the same question and I'm going to give you the same answer—

The Hon. SARAH MITCHELL: Just answer it—yes or no.

The Hon. COURTNEY HOUSSOS: —which is I talk to Mr Borsak all the time.

The Hon. SARAH MITCHELL: So you did—that's a yes.

The Hon. COURTNEY HOUSSOS: I've engaged with Ms Faehrmann on a range of issues. I've talked to Mr Buckingham about issues that are going to appear before the Parliament. I would certainly welcome the opportunity to speak to you in detail about the steps we had to take to overturn your ministerial direction when you were in Government.

The Hon. DAMIEN TUDEHOPE: I'll move on, Minister. The answer is yes, so that's fine. Minister, would you be prepared to table the legal advice you obtained in relation to compliance with New South Wales's obligations under free trade agreements?

The Hon. COURTNEY HOUSSOS: Well, Mr Tudehope, as a former finance Minister, you know that that's—

The Hon. DAMIEN TUDEHOPE: You're not going to. Well, let me ask you this, Minister.

The CHAIR: Order! Mr Tudehope, the Minister had said four words.

The Hon. DAMIEN TUDEHOPE: She told me what the answer was.

The CHAIR: I didn't hear an answer. She said, "Well, Mr Tudehope, I".

The Hon. DAMIEN TUDEHOPE: No, "as a former finance Minister, you would know".

The CHAIR: That is not a complete answer.

The Hon. DAMIEN TUDEHOPE: I also saw the secretary shake his head.

The CHAIR: Mr Tudehope, please let the Minister answer the question. The Minister has the call.

The Hon. COURTNEY HOUSSOS: In fact, the secretary was shaking his head and perhaps he could provide a considered response to a rather ridiculous question.

MICHAEL COUTTS-TROTTER: Well, the Government wants to retain the protections of legal privilege and wants to retain its legal advice.

The Hon. DAMIEN TUDEHOPE: Thank you.

The Hon. COURTNEY HOUSSOS: As is consistent practice, as it was under your Government, Mr Tudehope.

The Hon. Dr SARAH KAINE: He's running cover because his procurement policy didn't support domestic manufacturing.

The CHAIR: Order!

The Hon. DAMIEN TUDEHOPE: Minister, you'll be aware of course that clause 5 of article IV of the World Trade Organization Agreement on Government Procurement, to which Australia remains a signatory, explicitly prohibits discrimination against suppliers on the basis of the origin of goods and services—the very words you have deleted in respect of the current direction, 2009, in relation to enforceable procurement provisions.

The Hon. STEPHEN LAWRENCE: It's a national one.

The Hon. Dr SARAH KAINE: It's national but Canada does it, South Korea does it—a whole lot of jurisdictions.

The Hon. DAMIEN TUDEHOPE: You've deleted that, but that is a specific provision, are you aware, contained in that agreement.

The Hon. Dr SARAH KAINE: We're clever enough to do this.

The Hon. DAMIEN TUDEHOPE: It goes on, Minister. Clause 6 explicitly prohibits offsets. The next section, which you have so articulately said was an elegant solution—

The Hon. Dr SARAH KAINE: Don't worry about the local manufacturers.

The Hon. SARAH MITCHELL: Point of order: I am having trouble hearing because of the constant interjections from the members of the Government. Could you call them to order, please?

The CHAIR: Yes, Mrs Mitchell.

The Hon. Dr SARAH KAINE: My apologies, Chair.

The CHAIR: Interjections are disorderly at all times, so please desist.

The Hon. Dr SARAH KAINE: It's irresistible, but I will resist.

The CHAIR: I uphold the point of order.

The Hon. DAMIEN TUDEHOPE: In respect of both those provisions, they are specifically—and the wording used in the current general principles of procurement, part 3, is specifically a reproduction of the obligations Australia has in respect of the World Trade Organization agreement. Do you say that you have contacted the Department of Foreign Affairs in respect of the amendment to that direction?

The Hon. COURTNEY HOUSSOS: Are you reading from a document there, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: I know what the provision contains.

The Hon. COURTNEY HOUSSOS: No. I asked you are you reading from a document.

The Hon. DAMIEN TUDEHOPE: I'm reading a question from a document.

The Hon. COURTNEY HOUSSOS: You're reading a question that someone else has written for you?

The CHAIR: Order!

The Hon. SARAH MITCHELL: Not your office.

The Hon. DAMIEN TUDEHOPE: Well, I devolved it myself and I definitely didn't ask you to write it for me, Minister, because you have no capacity. But anyway, if you want to engage in that sort of—

The CHAIR: Order!

The Hon. Dr SARAH KAINE: Point of order—

The CHAIR: I don't need to hear the point of order. Mr Tudehope, you will withdraw that.

The Hon. DAMIEN TUDEHOPE: She should withdraw. The Minister should withdraw the slur on me.

The CHAIR: Order! Mr Tudehope, I'm asking you to withdraw that.

The Hon. DAMIEN TUDEHOPE: No, I won't.

The Hon. ROBERT BORSAK: That's adverse mention.

The CHAIR: I remind you, Mr Tudehope, that you are on two calls to order. You did say that this Minister has no capacity. That is an adverse reflection. It's clearly not treating the Minister or anyone else with—

The Hon. DAMIEN TUDEHOPE: I withdraw.

The Hon. SARAH MITCHELL: Point of order: I thought that there was no capacity to withdraw.

The Hon. COURTNEY HOUSSOS: I asked if you were reading from a document.

The Hon. SARAH MITCHELL: You ruled earlier that there was no capacity. It's a genuine point of order, Chair.

The CHAIR: Order! I haven't finished ruling on that. You withdraw?

The Hon. DAMIEN TUDEHOPE: Yes.

The CHAIR: Thank you.

The Hon. SARAH MITCHELL: Is there capacity to do that, Chair? You said earlier in the hearing that there wasn't a capacity to withdraw when I asked the Minister to withdraw her reflection on Mr Tudehope.

The CHAIR: I got some further advice, and I can ask.

The Hon. SARAH MITCHELL: Okay, thank you. I just wanted clarification.

The CHAIR: In the interim I did get some advice. I cannot after the fact; I can only do it at the time. The time had passed.

The Hon. ROBERT BORSAK: The time has come.

The CHAIR: The time has come. He has withdrawn, so that was the advice.

The Hon. SARAH MITCHELL: So the earlier reflection can't be withdrawn?

The Hon. DAMIEN TUDEHOPE: To the point of order: Can I ask the Minister to withdraw the suggestion that I did not write these questions?

The Hon. COURTNEY HOUSSOS: I asked if you were reading from a document and if you could provide me with a copy of the document.

The Hon. DAMIEN TUDEHOPE: You suggested I didn't write them myself.

The Hon. STEPHEN LAWRENCE: To the point of order: It's hardly adverse reflection to suggest that a person of Mr Tudehope's stature might not have written his own questions. He has a large office that I assume assist him with all sorts of things. It's not an adverse reflection. It's an adverse reflection to suggest the Minister can't write.

The CHAIR: Order! I am not going to ask the Minister to withdraw that. Please proceed, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Minister, have you sought advice from the foreign affairs department in relation to the amendment to the World Trade Organization agreement?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you were reading from a document. I just wanted to verify what that document was that you were reading from.

The Hon. DAMIEN TUDEHOPE: Is this responsive to my question?

The Hon. COURTNEY HOUSSOS: You had a long lead-in to your question then.

The Hon. SARAH MITCHELL: Because he's smart and he can ask a question.

The CHAIR: Order!

The Hon. ROBERT BORSAK: Because he's smart! I'll pay that one.

The Hon. DAMIEN TUDEHOPE: I don't need the Minister's office to make my questions for me, mate.

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: That's a pretty outrageous allegation.

The Hon. SARAH MITCHELL: Which you didn't deny.

The CHAIR: Order! Was there a question?

The Hon. DAMIEN TUDEHOPE: I'll repeat it for the fourth time. Did you obtain advice from the foreign affairs department in relation to the amendment to the procurement directions as to the compliance with our obligations under the WTO agreement on government procurement?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, as a former finance Minister responsible for procurement, I'm sure you would be aware that New South Wales is one of the only—if not the only—jurisdictions in Australia that does not have a local content policy. A similar policy in Victoria, the establishment of their Local Jobs First commission down there, has seen tens of thousands of local jobs supported through these kinds of initiatives. Your doubling down on your ideological approach and losing valuable local jobs—we have already outlined that we sought legal advice in relation to our free trade obligations to implement our policies and do this in a careful and a considered way. This is an important policy document that will support local jobs, local investment and local workers, and it's something that across the community—

The Hon. DAMIEN TUDEHOPE: I'm not quibbling with you, Minister. I'm just saying did you get advice?

The Hon. COURTNEY HOUSSOS: Across the community there's broad support.

The Hon. DAMIEN TUDEHOPE: Did you get advice?

The Hon. COURTNEY HOUSSOS: We got legal advice. We just canvassed that.

The Hon. DAMIEN TUDEHOPE: Did you get advice from the foreign affairs department?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, in formulating this policy we also looked to other jurisdictions. Go to Victoria, go to Queensland, go to Western Australia and look at the policies that they—

The Hon. DAMIEN TUDEHOPE: I am well aware of other jurisdictions.

The Hon. COURTNEY HOUSSOS: And when you were the Minister, you took the deliberate decision to enshrine your ideology in a ministerial direction that outlawed local content, that failed to support local businesses and that failed to support local jobs and local investment.

The Hon. DAMIEN TUDEHOPE: To comply with our obligations under the WTO agreement. Did you obtain DFAT advice?

The Hon. COURTNEY HOUSSOS: We came up with, as I have said on numerous occasions, a nuanced and a sophisticated response to balance our international free trade obligations with local content.

The Hon. DAMIEN TUDEHOPE: So, no. It's a pretty easy question. Minister, how do you define a local New South Wales supplier?

The Hon. COURTNEY HOUSSOS: I'm glad you asked me that question, Mr Tudehope. This is where I talked this morning about our complementary policies. The "If not, why not" policy and the Jobs First Commission will work together. Under our "If not, why not" policy—under the ministerial direction that I issued this week—government agencies, for the first time, will be required to report if they don't spend contracts over \$7.5 million with a local supplier. That's the first step on any tender process. You would be aware, Mr Tudehope, that we are part of a country; we have international free trade obligations, as you have just asked me about. We have balanced those. Under the legislation, local content, as it's broadly accepted to be, will be considered as within Australia and New Zealand. But the requirement at the start of the process that says to disclose if you're not tendering to a New South Wales supplier means that we are going to ensure—and this is what we are absolutely committed to doing—we're supporting local jobs, local businesses and local investment.

The Hon. DAMIEN TUDEHOPE: Can it be someone who has a residence in New South Wales, someone who has an ABN in New South Wales, someone who has a head office in New South Wales? What is it that qualifies you to be a local supplier?

The Hon. COURTNEY HOUSSOS: Yes, exactly. These are the specifics that we are working through. Perhaps I might get the secretary or the deputy secretary to provide a bit more context about that.

The Hon. DAMIEN TUDEHOPE: I'll come back in the afternoon if the Minister isn't able to give that answer.

The Hon. COURTNEY HOUSSOS: Well, no. These are operational details that are appropriately referred to—

The Hon. DAMIEN TUDEHOPE: Mr Secretary, can I ask you a question going back to DFAT advice? Were you directed to obtain DFAT advice?

MICHAEL COUTTS-TROTTER: We have engaged with Commonwealth colleagues and we've engaged with the Cabinet Office, which manages New South Wales's inter-jurisdictional relationships with the Commonwealth. We will continue to talk to Commonwealth colleagues as we put operational detail to some of the policy.

The Hon. DAMIEN TUDEHOPE: Have they given you advice in relation to whether this specific amendment complies with our obligations under the World Trade Organization agreement?

MICHAEL COUTTS-TROTTER: I wouldn't want to put words in the mouth of my Commonwealth colleagues. As the Minister said, we've taken our own legal advice.

The Hon. DAMIEN TUDEHOPE: Let me just be clear in relation to the answer. You have had communications with the Commonwealth—

MICHAEL COUTTS-TROTTER: We don't have a view either way from the Commonwealth.

The Hon. DAMIEN TUDEHOPE: Nothing from the Commonwealth?

MICHAEL COUTTS-TROTTER: No.

The Hon. DAMIEN TUDEHOPE: Have you put this proposal for the amendment to this direction to the Commonwealth?

MICHAEL COUTTS-TROTTER: We are in discussions with Commonwealth agencies.

The Hon. DAMIEN TUDEHOPE: Have you put the proposal?

MICHAEL COUTTS-TROTTER: I'd need to take that on notice. I haven't been involved in those discussions, but I'm happy to take it on notice and come back to you.

The Hon. DAMIEN TUDEHOPE: I note that you're taking it on notice, so it may be the case that—

MICHAEL COUTTS-TROTTER: You're asking whether we put the specific wording of the Minister's direction to the Commonwealth as opposed to discussing the Government's policy objectives, and they are different things.

The Hon. DAMIEN TUDEHOPE: Well, has this wording been put to the Commonwealth?

MICHAEL COUTTS-TROTTER: No. We've taken advice internally from the Crown Solicitor's Office and in discussion with the Cabinet Office.

The Hon. CHRIS RATH: Minister, did you seek ICAC's advice before drafting this policy?

The Hon. COURTNEY HOUSSOS: No.

The Hon. CHRIS RATH: And you don't share the same concerns they have that local procurement is of little benefit because, when it comes to local content of suppliers, they already have lower transport costs and business overheads? You don't share their concerns?

The Hon. COURTNEY HOUSSOS: Are you reading from the ICAC's submission to the upper House inquiry, or are you reading from the transcript of when they came and appeared before the inquiry?

The Hon. CHRIS RATH: From the submission.

The Hon. COURTNEY HOUSSOS: Are you a member of that inquiry, Mr Rath?

The Hon. CHRIS RATH: I'm not.

The Hon. COURTNEY HOUSSOS: There was a range of evidence that was taken from ICAC. I take this opportunity to commend the important work of the procurement inquiry and the way that it's informing our broader agenda.

The Hon. CHRIS RATH: That was my question. Do you share the same concerns as ICAC regarding—

The Hon. COURTNEY HOUSSOS: You asked me these questions in estimates last time, and we canvassed that at length. I said that I would respond to the upper House inquiry that is chaired so ably by Dr Kaine. I understand that ICAC presented a slightly different approach in their evidence before the inquiry.

The Hon. DAMIEN TUDEHOPE: Ms Forbes, what is the current view in relation to New South Wales procurement and its current definition of value for money? Secretary?

The Hon. COURTNEY HOUSSOS: Ms Forbes has been in the role a couple of weeks, so perhaps we might just give her a moment to—

MICHAEL COUTTS-TROTTER: It's a balance of financial and non-financial factors that, in response to Mr Borsak's questioning earlier, we canvassed but are happy to canvass again.

The Hon. DAMIEN TUDEHOPE: Would you agree that non-monetary considerations are taken into account? I think you gave that—

MICHAEL COUTTS-TROTTER: Yes, absolutely.

The Hon. DAMIEN TUDEHOPE: In many respects, the new arrangement which has been identified by the Minister in her press release, by and large, is covered by the current position, is it not, in respect of the manner in which procurement is carried out by the New South Wales Government?

MICHAEL COUTTS-TROTTER: No. This is a significant change.

The Hon. DAMIEN TUDEHOPE: Tell me which of the current directions in relation to procurement is different.

MICHAEL COUTTS-TROTTER: It's obviously the interaction between the Government's policy objectives and the constraints of the Enforceable Procurement—what's the second P?

ANDREA FORBES: Provisions.

MICHAEL COUTTS-TROTTER: It's the EPP—provision. I'm sorry. The changes the Minister has directed us to make, in combination with the three policies that she has outlined, do present a very significant change to the way we approach consideration of local supply. There's no doubt of that. It is more directive. There is more accountability within the system to explain if not, why not. There is a clear capacity—and in fact, a requirement—to consider up to 30 per cent of evaluation linked to dimensions of local supply. They are big changes and it's going to take some implementation within our system.

The Hon. DAMIEN TUDEHOPE: For example, one of the things that is obliged to be taken into account is supplier conduct.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DAMIEN TUDEHOPE: Is that not something which the Minister has, in fact, highlighted—that she would take into account supplier conduct?

MICHAEL COUTTS-TROTTER: I've got the Minister right here.

The Hon. DAMIEN TUDEHOPE: No, I'm asking you, Mr Secretary.

MICHAEL COUTTS-TROTTER: The Minister has announced, for example, the proposal to establish—on the recommendations of the ICAC and its Operation Hector—the capacity to prohibit suppliers from dealing with government as opposed to more limited constraints on dealing with suppliers whose conduct is of concern.

The Hon. DAMIEN TUDEHOPE: If you go to clause 12 of the current direction, what additional things are you including over and above what's contained in clause 12?

The Hon. COURTNEY HOUSSOS: In relation to that question, Mr Tudehope, can I just say the reason why we are investigating a debarment scheme for the first time is because, under the existing provisions, the only thing that an individual agency can do is end an individual contract or take an individual supplier off their procurement panel. We want a whole-of-government approach. I accept, as the Treasury Secretary has said, we have a fundamentally different approach when it comes to procurement.

The Hon. DAMIEN TUDEHOPE: No, we don't.

The Hon. COURTNEY HOUSSOS: We have a fundamentally different approach.

The Hon. DAMIEN TUDEHOPE: We had a better approach.

The Hon. COURTNEY HOUSSOS: You refused to support local businesses; you refused to support local investment. In fact, you outlawed it your own ministerial direction.

The Hon. DAMIEN TUDEHOPE: What about the SME policy and the Aboriginal Procurement Policy?

The Hon. COURTNEY HOUSSOS: What we are doing is introducing a weighting and actually providing consequences for dodgy suppliers, across government—

The Hon. DAMIEN TUDEHOPE: What about all those policies which were supporting regional businesses?

The Hon. COURTNEY HOUSSOS: —not just individual agencies, not just individual suppliers, not just individual tender panels.

The Hon. ROBERT BORSAK: Chair, point of order—

The Hon. DAMIEN TUDEHOPE: Don't worry. We'll explore it with people who will give us proper answers.

The CHAIR: Order!

The Hon. DAMIEN TUDEHOPE: We'll explore it later.

The Hon. ROBERT BORSAK: My time is obviously being wasted here.

The CHAIR: Yes, the time for questions from the Opposition has concluded. Now we will have 10 minutes of questions from Mr Borsak and then 10 minutes of questions from The Greens.

The Hon. ROBERT BORSAK: Questions and no answers. Chair, I'd like to table this media release that was generally available last Tuesday that the Opposition didn't have.

The Hon. SARAH MITCHELL: We've got it.

The CHAIR: That has been tabled. I think it has been tabled twice, now, so everyone has a copy.

The Hon. ROBERT BORSAK: What was tabled before was something else.

The CHAIR: Everyone has a copy. That's excellent.

The Hon. ROBERT BORSAK: Everyone has a copy. That's great.

The Hon. CHRIS RATH: Chair, we already have a copy. I'd suggest we don't need to table it.

The CHAIR: He has already tabled it.

The Hon. ROBERT BORSAK: Since Mr Tudehope was attempting to adversely mention me in this place—

The Hon. DAMIEN TUDEHOPE: You'd like it. You haven't seen it.

The CHAIR: Order! Mr Tudehope, stop, please.

The Hon. ROBERT BORSAK: I can actually write my own questions.

The CHAIR: Mr Borsak, please ask a question.

The Hon. ROBERT BORSAK: Minister, establishing a Jobs First Commission—how will that work and interact with the Procurement Board?

The Hon. COURTNEY HOUSSOS: That's an excellent question. Our Jobs First Commission will be a new government body that is set up. As part of the response to the procurement inquiry that I have referenced many times this morning, led by Dr Kaine, we will be considering how these two will interact. It's clear to me that there needs to be additional capacity across government and, as I alluded to in my previous answer, the previous approach of simply devolved, siloed, individual government agencies operating separately is not one that we want to take. That's why as a first step we're going to, in legislation, establish the Jobs First Commission. Further changes or reforms to the Procurement Board are certainly something that we're considering as we respond to the upper House inquiry into procurement.

The Hon. ROBERT BORSAK: What you're saying is you haven't landed on that yet?

The Hon. COURTNEY HOUSSOS: That's right. But we are actively considering it, I should say.

The Hon. ROBERT BORSAK: You say you will mandate 30 per cent local content weighting for tenders worth more than \$7.5 million. How will that actually be measured, and what is the definition, in those terms, of local content?

The Hon. COURTNEY HOUSSOS: As I said to Mr Tudehope and as the Secretary outlined in previous answers, there are a range of considerations that will be included in that. In terms of the local content requirements in the legislation, it will be with what the industry expects it to be, which is around the rest of Australia. It will also include New Zealand, given our free trade obligations and the unique historical relationship that we have with New Zealand and, indeed, our obligations under the Australian Constitution. Our "If not, why not" policy is so important because, at the start of the tender process, government agencies will be required to say if they're not procuring from a New South Wales supplier. At the very start of the process, we will be encouraging agencies and putting that in place to require them to try and find a local New South Wales supplier as a very first step.

The Hon. ROBERT BORSAK: Minister, why not just lower the bar from \$7.5 million to \$1 million or \$2 million and also weight it for suppliers outside of Sydney?

The Hon. COURTNEY HOUSSOS: These are great suggestions and certainly something we can take on board. What we're doing is releasing an exposure draft of the legislation. We want to hear feedback. The reason why we set it at \$7.5 million is because that would capture about 85 per cent of government contracts that are currently issued. We obviously have to balance the requirements about increasing the burden on businesses who are seeking to engage with government and then also trying to get that threshold right. But I'd certainly take any evidence that that bar should be lowered or increased. I would be open to those conversations.

The Hon. ROBERT BORSAK: Looking now at the local skills guarantee—I see that in your media release as well, for those who can read. Relating to apprentices, how will that be measured and also guaranteed?

The Hon. COURTNEY HOUSSOS: This will, in legislation, require 20 per cent of the trades workforce on government contracts over \$7.5 million to be apprentices. What we saw under the previous Government was that, I think, half the number of apprentices were completing their studies, after 12 years of the previous Government. We absolutely have to rebuild our TAFE network. That's what the Premier is out in Western Sydney talking about with the skills Minister today. It's something we have frequent conversations about. A massive brake on our economy is the fact that we don't have that local source of skilled labour being able to do that. We think an important lever we can pull is with government procurement and requiring on those contracts those trades workforces to be employing apprentices.

The Hon. ROBERT BORSAK: You've set a target of 1,000 apprentices. Is that 1,000 increased over what period of time or—

The Hon. COURTNEY HOUSSOS: We have a number of different Government election commitments in this space. This is a requirement on government procurement tenders over \$7.5 million that would require 20 per cent of their trades workforce to be apprentices.

The Hon. ROBERT BORSAK: Okay. I thought I read somewhere there that you were talking about at least having a target of 1,000.

The Hon. COURTNEY HOUSSOS: I, unhelpfully, did not bring a copy of my media release. I apologise.

The Hon. DAMIEN TUDEHOPE: We've got plenty of copies.

The Hon. COURTNEY HOUSSOS: That's alright, someone else did. This is a helpful quote from my colleague Minister Whan who was with me on Tuesday at GME. He said, "This sits alongside our commitment to deliver 1,000."

The Hon. ROBERT BORSAK: That's right—it was in his quote.

The Hon. SARAH MITCHELL: He talked about it in his hearing yesterday.

The Hon. ROBERT BORSAK: It was in his quote.

The Hon. COURTNEY HOUSSOS: This is alongside that.

The Hon. ROBERT BORSAK: You mentioned TAFEs—and I think that's in Mr Whan's brief. What's your understanding of what's going to happen with TAFE? In a lot of cases—certainly in regional areas—TAFEs are simply not available anymore for the sorts of trades that we need. There have been years and years of complaints coming into my office where people actually have to break off their work and go to Newcastle, and stay there for three or four days and then come home again. How is this going to work? Is this going to make it worse, or is this going to make it better?

The Hon. COURTNEY HOUSSOS: This is why I'm engaging closely with my ministerial colleagues on this issue. This is a huge challenge and, indeed, one that I pursued when I was on the other side in these kinds of hearings, because the previous Government, instead of investing in TAFE, was more interested in selling off TAFE sites and closing TAFE campuses. That's the legacy that we as a Government—but particularly Minister Whan—has inherited. Things like our commitment to deliver 1,000 additional apprentices, and things like using our government procurement dollars and requiring local apprenticeships—we believe these are important complementary levers that can be pulled by the Government.

The Hon. ROBERT BORSAK: How will name and shame operate?

The Hon. COURTNEY HOUSSOS: This is one of the powers that we're going to give to the Jobs First Commission. They're going to be charged with implementing our policy, with monitoring and then ultimately with the enforcement provisions. In relation to the naming and shaming, that's quite an operational issue, so I might hand over to the secretary.

MICHAEL COUTTS-TROTTER: I'll hand over to Ms Forbes or Ms Campbell.

ANDREA FORBES: I'm happy to take that. In relation to the "If not, why not" provision, it is essentially a requirement for agencies to report to government why, if a New South Wales supplier was available, they didn't use them.

MICHAEL COUTTS-TROTTER: I think Mr Borsak's question was the capacity to name firms that have fallen short of expected levels of behaviour.

ANDREA FORBES: The debarment?

The Hon. ROBERT BORSAK: Yes, that was it. That's why he's secretary.

ANDREA FORBES: The debarment scheme—essentially, there are some details to be developed in the future policy, but there will be publishing of poor conduct. There is a degree of development of that because it is quite a technical scheme. That will be a matter for government and for future policy development.

The Hon. ROBERT BORSAK: Minister—just to interrupt you for a second—if there is non-performance of the contracts, what are the sanctions apart from naming and shaming?

ANDREA FORBES: I might just jump in.

The Hon. COURTNEY HOUSSOS: Of course.

ANDREA FORBES: There is a scheme operating in WA. The way it operates is, if there is serious misconduct, the relevant supplier is prevented from engaging in any contract across WA. That's the real difference. Rather than contract-specific exclusions, the debarment will apply across—

The Hon. ROBERT BORSAK: You'd obviously want the existing contract finished, but what you're saying is that you'll exclude them in the future.

The Hon. COURTNEY HOUSSOS: This is the debarment scheme that we're looking at in concert as part of the reform package.

The Hon. ROBERT BORSAK: Naming and shaming doesn't really mean all that much unless you can put a financial cost on it.

The Hon. COURTNEY HOUSSOS: We think it's important that there is an escalating set of consequences if you don't comply with that. I just say that these are serious provisions. They obviously have significant consequences for businesses. We'll be engaging, as we develop those, in consultation with the business community. We want to be able to implement the policies, but we want to make sure they are implemented appropriately as well.

The Hon. ROBERT BORSAK: I think I've come to the end of my time. I'll table some more questions for written answer.

Ms SUE HIGGINSON: Minister, you know that in March this year the Gomeroi traditional owners won their appeal in the Federal Court of Australia against the Narrabri Gas Project. The chief judge said that the Native Title Tribunal should have taken into account the public interest in the mitigation of climate change when they made their decision. The tribunal now has to remake its decision. Can you confirm that the New South Wales Government, as a State party, in August this year asked the tribunal to consider new evidence, being the Commonwealth's Future Gas Strategy and the accompanying analytical report? Is that what your Government asked the tribunal to do?

The Hon. COURTNEY HOUSSOS: We did canvass these issues a little bit earlier with Mr Buckingham in relation to the gas project. I did talk about the native title—

Ms SUE HIGGINSON: This is very specific. This is about your Government being a model litigant. Did you ask them to take into account the Commonwealth's Future Gas Strategy?

The Hon. COURTNEY HOUSSOS: In relation to that specific submission that was made, I might just pass to the deputy secretary who is working closely on that matter.

Ms SUE HIGGINSON: It's very much a yes or no. Did you provide that strategy to the proceedings for them to consider—the Commonwealth Future Gas Strategy?

GEORGINA BEATTIE: Ms Higginson, I believe that may be the case, but I will have to take the specific details on notice.

Ms SUE HIGGINSON: Did you also ask the tribunal to consider your own Government's May 2024 statement on climate change, given that the Federal Court told the tribunal they have to take into account the climate change impacts—the public interest in climate change?

GEORGINA BEATTIE: These matters are before the tribunal. They're ongoing, and we are a party to them.

Ms SUE HIGGINSON: Absolutely. Did you provide this Government's climate change statement in 2024—the most relevant government piece of information—to assist the tribunal?

GEORGINA BEATTIE: I'll have to take that on notice.

Ms SUE HIGGINSON: In the event that you haven't—because I don't think you have—why would you take such a partisan approach rather than assisting the court and being a model litigant? Why would you assist Santos only by providing a gas strategy and not the Government's position on climate change, which is to reduce emissions as quickly as we can?

The Hon. COURTNEY HOUSSOS: I think, Mr Buckingham, that's a hypothetical question.

Ms SUE HIGGINSON: I am asking why you haven't done that. Why have you not acted as a model litigant?

The Hon. COURTNEY HOUSSOS: Ms Beattie has taken the question on notice to see whether that documentation has been provided. You then asked a question to say why did we then take that course of action. We need to verify. These are obviously individual submissions that have been made in a court case. We don't want to mislead the Committee and its deliberations.

Ms SUE HIGGINSON: Minister, I put it to you that you didn't provide the climate change strategy.

The Hon. GREG DONNELLY: Why did you ask the question?

Ms SUE HIGGINSON: I am putting it to you, Minister, that you didn't provide the climate change strategy and your document. Why haven't you?

The Hon. Dr SARAH KAINE: Point of order: The Minister has indicated that the original question has been taken on notice to confirm whether that's the case.

Ms SUE HIGGINSON: To the point of order: I've asked another question.

The CHAIR: Just wait.

The Hon. Dr SARAH KAINE: To keep suggesting otherwise is unreasonable.

Ms SUE HIGGINSON: It's about First Nations justice. Move along.

The CHAIR: Order!

The Hon. GREG DONNELLY: Drop the sarcasm.

The CHAIR: Order! Stop the interjections, Mr Donnelly. I am listening to Dr Kaine's point of order, which is?

The Hon. Dr SARAH KAINE: That the Minister has already answered. This question has been taken on notice.

Ms SUE HIGGINSON: I've asked a new question.

The Hon. Dr SARAH KAINE: They're prepared to provide that evidence.

The CHAIR: I don't uphold the point of order. It was a new question that related to the Minister's previous answer.

Ms SUE HIGGINSON: Minister, I put it to you that you didn't provide the Government's policy statement on climate change and the need for the whole of government to urgently reduce emissions. Why wouldn't you do that?

The Hon. COURTNEY HOUSSOS: You've asked me a specific question about an individual submission that was made in a tribunal. I think it's probably best for me to refer to the deputy secretary about whether that was provided or not.

Ms SUE HIGGINSON: I'm saying it hasn't been. Why haven't you?

The Hon. COURTNEY HOUSSOS: You're asserting that, Ms Higginson. I'm not aware—

The CHAIR: Order! The Minister is referring it to the deputy secretary.

GEORGINA BEATTIE: Thank you, Chair. Ms Higginson, I don't have the details in front of me today of what was provided. I am also very cautious that this is a matter before the tribunal and we are a party to that. I think the best thing today is for me to take that on notice and then provide the answer.

Ms SUE HIGGINSON: Thank you. I'd be very grateful.

Ms CATE FAEHRMANN: Minister, you said this morning, in relation to McPhillamys mine, "The Government is committed to finding and assisting, as best we can, this project to navigate through interactions with the New South Wales Government." That makes a mockery of the planning process, doesn't it?

The Hon. COURTNEY HOUSSOS: No.

Ms CATE FAEHRMANN: So what does "navigate through interactions with the New South Wales Government" mean?

The Hon. COURTNEY HOUSSOS: As the project has proceeded through the Independent Planning Commission—and I would say that's a very robust planning process—that has made a range of assessments. We think that this billion-dollar project, after receiving independent assessment, should go ahead, and we've been really clear about that. As the company considers how to now navigate the system, then we will engage with them.

Ms CATE FAEHRMANN: Minister, I assume you're aware that with something like a goldmine a tailings dam is a significant part of that mine in terms of the environmental impact, the impact on water, biodiversity and cultural heritage. It is a significant part, so if it's going to be relocated, it would have to be reassessed in terms of all of those impacts. Is it not fair to say that you are sending an extremely strong signal that whatever location comes up in terms of that tailings dam, don't reject it?

The Hon. COURTNEY HOUSSOS: No, I would say that—sorry, you asked me a series of questions then.

Ms CATE FAEHRMANN: No, it's one question.

The Hon. COURTNEY HOUSSOS: I just want to be really clear what I'm answering. I absolutely understand that the tailings storage facility is a large proportion of the mine. I understand that moving that is a significant undertaking. That's my understanding and it's certainly been conveyed to me by the CEO of Regis Resources when he met with myself and the Secretary of the Premier's Department. That's also the cause for the delay. There are a range of studies that they would need to undertake as part of that process. I believe we have a robust planning regime in New South Wales, and we would conform with that planning regime but those studies need to be undertaken.

Ms CATE FAEHRMANN: Thanks, Minister. I've got three minutes.

The Hon. COURTNEY HOUSSOS: It's not a simple thing of locating it in a different place.

Ms CATE FAEHRMANN: Minister, do you know why your Government is so intent on propping up the McPhillamys project, which just five months ago was being reported in *The Australian Financial Review* as "potentially dead" by market analysts because of cost blowouts?

The Hon. COURTNEY HOUSSOS: I would say, Ms Faehrmann, that we want to send a really clear message that we are open for business, that we want investment in critical minerals and in high-tech metals. You and I both know that these are crucial for our clean energy future and that a range of projects are currently underway. We want to be supporting that and providing a stable investment environment for those projects to come and invest here.

Ms CATE FAEHRMANN: Essentially what's happened here—this has all set a very big precedent, hasn't it, that no other mine project should be rejected in New South Wales? This is what this is all about. It's sending a very big signal to the so-called Independent Planning Commission and the planning department not to reject anything.

The Hon. COURTNEY HOUSSOS: I would reject the premise of your question where you say it's a so-called independent process. It is an independent process. It's an independent assessment that takes into consideration a range of environmental and cultural practices.

Ms CATE FAEHRMANN: Your policy directions.

The Hon. COURTNEY HOUSSOS: Yes, it is appropriate that the government of the day would set its broader policy. We want to be encouraging investment in New South Wales. We've discussed this before. In New South Wales we have a long history of mining across a range of different minerals and resources that operate close to communities. We have a robust planning system—

Ms CATE FAEHRMANN: Minister, have you spoken with Stephen Galilee from the NSW Minerals Council about the decision?

The Hon. COURTNEY HOUSSOS: —in place in order to protect those communities.

Ms CATE FAEHRMANN: Have you spoken with Mr Galilee?

The Hon. COURTNEY HOUSSOS: Yes, I have regular interactions with the Minerals Council. I met with the CEO of Regis Resources. I meet with a range of different companies.

Ms CATE FAEHRMANN: Did he speak to you after this decision, urging you to do everything you can to make the project go ahead?

The Hon. COURTNEY HOUSSOS: I engaged with industry, as I do regularly after a significant decision like this was made, yes.

Ms CATE FAEHRMANN: When you're referring to critical minerals—gold isn't on the critical minerals list at the State or Federal level. The vast majority of gold from McPhillamys mine, do you know where that's going?

The Hon. COURTNEY HOUSSOS: You're right to assert that gold is not on the critical minerals and high-tech metals list. As I said earlier, we had extensive questioning about this issue. Gold is usually located with copper so we often talk about it together.

Ms CATE FAEHRMANN: Yes. Do you know, in terms of the McPhillamys mine itself, where that gold is heading?

The Hon. COURTNEY HOUSSOS: No, I'm not aware specifically of where that is but what I am aware of is—

Ms CATE FAEHRMANN: But that's what you're talking about in the media release.

The Hon. COURTNEY HOUSSOS: —that there's a billion dollars—

Ms CATE FAEHRMANN: In the media release you're saying the global supply chain for clean energy products—

The Hon. COURTNEY HOUSSOS: Ms Faehrmann, you can ask me questions. There's a billion dollars of investment. There are 800 local jobs.

Ms CATE FAEHRMANN: It's jewellery and investment. Ninety one per cent of the gold coming out of McPhillamys is going the gold bullion for jewellery and investment.

The CHAIR: I'll take that as a comment, Ms Faehrmann.

The Hon. DAMIEN TUDEHOPE: Mr Secretary, there is already a training and diversity in construction memorandum in relation to skills and training in place, is there not?

MICHAEL COUTTS-TROTTER: Yes, I think that's correct.

The Hon. DAMIEN TUDEHOPE: And it's for contracts \$10 million or over, is that not the case?

MICHAEL COUTTS-TROTTER: I'd need to check the record.

The Hon. DAMIEN TUDEHOPE: Take it from me, it is.

MICHAEL COUTTS-TROTTER: I accept that as accurate.

The Hon. DAMIEN TUDEHOPE: So, effectively, all the announcement from the Minister is to drop a figure from \$10 million to \$7.5 million in relation to that training requirement, is it not?

The Hon. COURTNEY HOUSSOS: Chair, I'd like to intervene at this point and say this is different. There may be a policy in place; we are putting this into legislation. We are saying that under our Jobs First Commission legislation there will be a requirement for 20 per cent of the trades workforce on contracts over \$7.5 million to be enshrined in legislation.

The Hon. DAMIEN TUDEHOPE: We already have a procurement policy in place.

The Hon. COURTNEY HOUSSOS: I don't know why this is so controversial, Mr Tudehope. I can't see why you can't support enshrining apprenticeships and local content in legislation.

The Hon. DAMIEN TUDEHOPE: Minister, I am just putting to you that there is already a procurement policy in place.

The Hon. COURTNEY HOUSSOS: I welcome your support in the Parliament of this legislation.

The Hon. DAMIEN TUDEHOPE: I just say it's not a novel idea in your brain, is it? Can I get some more understanding in relation to the 30 per cent weighting? Why haven't you done that already? Why haven't you amended the direction or given a direction in respect of the 30 per cent local content weighting?

The Hon. COURTNEY HOUSSOS: Because I want to enshrine it in legislation, Mr Tudehope. I think this is such an important issue that we should be enshrining it so that your ideological zealotry can no longer—

The Hon. DAMIEN TUDEHOPE: What is that ideology? You weren't able to identify that earlier.

The Hon. COURTNEY HOUSSOS: —be pursued across the people of New South Wales.

The Hon. DAMIEN TUDEHOPE: What is the ideological zealotry?

The Hon. COURTNEY HOUSSOS: That you refuse to allow any local content.

The Hon. DAMIEN TUDEHOPE: No. We in fact—

The Hon. COURTNEY HOUSSOS: You refuse to allow any local content. It's here in black and white. I tabled it for the Committee.

The CHAIR: Minister, the last exploration wells for appraisal in PEL 238 within the Narrabri Gas Project area were drilled in 2014. Santos has had a decade to appraise the gas for quality and quantity, and on 19 September 2023 Santos informed stakeholders that it has sufficient information from appraising existing wells to make a final investment decision. My questions are these: Is the Government receiving royalties from Santos for gas being used to generate electricity at Wilga Park Power Station? Does the Government accept that Santos is no longer appraising the gas wells in the Narrabri Gas Project area and is extracting the gas for the sole purpose of generating electricity and profit?

The Hon. COURTNEY HOUSSOS: Mr Buckingham, I might take the specifics of that question on notice in relation to the royalties. I certainly have been to the Wilga power station and seen that there is gas that is being used and is being fed into the local grid there. But in terms of the ongoing use of the PELs, my understanding is that there is actually a requirement on the exploration licences that you have to continue to show activity in order to maintain those. I know we're running short of time, but Ms Beattie might be able to provide you with a short update on that.

GEORGINA BEATTIE: Royalty is payable by Santos for any petroleum recovered and used beneficially. Beneficial use of gas is outlined in the Petroleum (Onshore) Act. There are deductions available for the cost of recovering the petroleum, and if those costs are greater than the value of the resource, that's obviously taken off the royalties that are payable.

The CHAIR: Minister, the previous Government altered schedule 1 to the SEPP (Mining, Petroleum Production and Extractive Industries) 2007 on 17 September 2021 to include petroleum exploration, petroleum production and petroleum-related works on land within the following local government areas: Coonamble, Dubbo, Gilgandra, Gwydir, Mid-Western Regional, Muswellbrook, Narramine, Tamworth Regional, Upper Hunter, Walgett and Warren councils. When you revise the *Future of Gas Statement*, will you prohibit petroleum exploration, petroleum production and petroleum-related works on land within the Liverpool Plains?

The Hon. COURTNEY HOUSSOS: I am not going to rule anything in or out today, and I think I made that point when responding to your bill that you introduced in the Parliament. I would say, I have been to the

Liverpool Plains and I have met with farmers and the CWA and a number of people who are opposed and have been opposed to mining on the Liverpool Plains for a long time. I think I recounted about my visit that I went up to the top of a grain silo on what felt like a particularly windy afternoon. That experience will not leave me. But it certainly gave me an opportunity to view the fertile soils of the Liverpool Plains and gain an understanding of that. We'll certainly take those into consideration as we review the *Future of Gas Statement*, which we will do.

The Hon. Dr SARAH KAINE: Minister, can you elucidate your answers on the Government's plan to support local jobs and local industry?

The Hon. COURTNEY HOUSSOS: Thank you, Dr Kaine, for a great question. Just before I do respond, I think I said earlier in answer to Mr Borsak that the \$7.5 million threshold was 85 per cent of contracts issued. It's actually 85 per cent of the value of contracts issued. We're really looking for the greatest amount of impact from these new policies that we're introducing. The Jobs First Commission is going to be a crucial part of how we deliver on our plans to support local jobs and local investment. I know that it's something that you've taken a really keen interest in, and I'd particularly like to commend, when we talk about value for money, some of the work that you've been undertaking in the procurement inquiry in relation to that. I think the key part is we need to be setting up the policy infrastructure across government to be able to implement this new policy, because it is entirely new.

Part of what we did on Tuesday was repeal the previous policy, and we're building an entirely new capacity. That's really important, that we have that ability, as we want to be unlocking those local jobs. But it comes with a legacy that you and I know well, and we have spoken about—whether it's those cracked light rail vehicles from Spain, or the ferries from Indonesia with asbestos all through them where you're risking decapitation on a lovely afternoon heading up Parramatta River, or those trains from South Korea that just don't fit the tracks and still aren't on them. These are a range of projects where we have seen billions of dollars, thousands of jobs, just mindlessly shipped offshore. We have taken important steps—they're initial steps but important steps—on delivering more local jobs and local support for local businesses.

The CHAIR: That concludes Government questions. Thank you, Minister, for attending the hearing. We are finished with the questioning so far. We will return at 2.00 p.m. for further questions.

(The Minister withdrew.)

(Michael Coutts-Trotter withdrew.)

(Luncheon adjournment)

Ms LIZ LIVINGSTONE, Deputy Secretary, Policy and Budget, NSW Treasury, on former oath

The CHAIR: Good afternoon, everyone. Welcome back to the Portfolio Committee No. 1 hearings into the budget estimates for 2024-2025. Before we commence, I welcome our new attendee, Ms Livingstone. We will begin with questions from the Opposition.

The Hon. DAMIEN TUDEHOPE: I'll start with you, Ms Beattie. You were present during all the evidence this morning in relation to Regis and the goldmine at Blainey. Can you help us in terms of what possibilities are being explored with a view to keeping this proposal on foot?

GEORGINA BEATTIE: Yes. As the Minister outlined this morning, the Government has made it very clear that it is supportive of the project to proceed and has met with the company to indicate that. The company has committed to go away and consider alternative options for a tailings dam. That initial work really is on the company to proceed with. I'm sure you would appreciate the complexities of mining design. It is a very technical process. Finding a new location for a tailings dam will take significant time. There is a range of studies that will need to be undertaken: geotechnical studies to consider the stability of the landform, geological conditions, looking at the topography of the land to minimise impacts to the environment and to the community—a whole range of areas that need to be undertaken. The Government has committed to work closely with the company. We are in close contact with the company, but really the next step is for the company to consider.

The Hon. DAMIEN TUDEHOPE: "Working closely with them"—what does that mean? Does that mean you will shortcut steps for them? What does the Government say that it will do to assist the company?

GEORGINA BEATTIE: At this stage, it's for the company to consider its next steps. There will be regular conversations with the company so that when they determine what that will be, we can facilitate any approvals that are required through government, what they will look like, and try to make that as streamlined as possible.

The Hon. DAMIEN TUDEHOPE: The current proposal to get to where it was approved by the New South Wales Government took nearly 10 years, did it not?

GEORGINA BEATTIE: It was less than 10 years. I think the original application was lodged in 2018. It was a significant time. Mining projects take a long time for approval, and this one had received approval, so the Government's position is to support it from—

The Hon. DAMIEN TUDEHOPE: But it does take a long time, so potentially we're looking at between five and 10 years, even with a new proposal, with the steps you've outlined—the topography, the environmental impacts, the geotech reports and all the things you've identified. Is the company right in saying this is a process which will take between five and 10 years for another site?

GEORGINA BEATTIE: It does take significant time for mine planning and design.

The Hon. DAMIEN TUDEHOPE: So, in one sense, if the Government was to assist during that process, what would it do?

GEORGINA BEATTIE: Ultimately, if the company comes back with an alternative design, it will depend on what that is, and the Government will consider it at that point in time. The section 10 declaration means that if the tailings dam is moved, there would need to be a subsequent approval to allow that mine to proceed.

The Hon. DAMIEN TUDEHOPE: Are you aware of any alternative sites for that tailings dam?

GEORGINA BEATTIE: Look, that's a matter for the company, and I understand that they're looking into that.

The Hon. DAMIEN TUDEHOPE: You know the site. Are there alternative sites?

GEORGINA BEATTIE: I don't know the site that well.

The Hon. DAMIEN TUDEHOPE: Don't you? Well, to the extent that you do know it, are there alternative sites?

GEORGINA BEATTIE: I can't comment on whether there are alternative sites. The original proposal had received approval from the New South Wales Government, and there's quite a bit of work to do for the company to consider alternative sites. As I mentioned, a range of technical considerations would need to go into that.

The Hon. DAMIEN TUDEHOPE: I put this to you: Potentially the best outcome for the company to get approval would be the withdrawal of the section 10, would it not?

The Hon. GREG DONNELLY: Point of order: Just for clarification—I appreciate the member has got the floor, but in terms of inviting what is, in effect, an opinion, I just think we need to be careful about this with respect to our senior representatives today. That very much is crossing a line, potentially, with respect to matters of government and matters for the Minister. I know you've been a Minister and you appreciate that fine line, but I just think we need to be cognisant of that with the questioning of the witnesses.

The CHAIR: Thank you for that, Mr Donnelly. I won't uphold the point of order, but it is a point well made. We are not to ask the officials for their opinion on matters.

The Hon. DAMIEN TUDEHOPE: So the answer is? If the section 10 wasn't there, this mine would be proceeding, would it not?

GEORGINA BEATTIE: The mine had approval prior to the declaration of the section 10.

The Hon. DAMIEN TUDEHOPE: Mr Rath, do you want to ask some questions while we have Ms Beattie?

The Hon. CHRIS RATH: On Natural Resources?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. CHRIS RATH: Different issues, but I might ask about Royalties for Rejuvenation. Did the \$25 million that is legislated to be put into the fund each year go into the fund at the start of the financial year?

GEORGINA BEATTIE: I'm not sure I can say exactly on timing. I can come back to you on that, but it's \$22.5 million that is allocated to the statutory fund and then \$2.5 million for operational expenses. It is allocated each financial year.

The Hon. CHRIS RATH: And what is the current balance of the fund?

GEORGINA BEATTIE: The balance at the end of the financial year was \$78.4 million.

The Hon. CHRIS RATH: At the last estimates, I think you said that the expert panel or panels had been advised that money couldn't be spent. Is that right?

GEORGINA BEATTIE: Yes. At the moment, the fund is unable to be spent until—I think it's 2028, or until it reaches a level, \$250 million.

The CHAIR: I think it's 2027.

GEORGINA BEATTIE: It's 2028-29, or until it reaches \$250 million.

The Hon. CHRIS RATH: I was just wondering what the logic is behind the panel chairs making a recommendation to you that you consider opening an initial round of the fund for applications in August of last year. I was wondering if you could explain that and what the process there was. Did you consider that and reject it, or what was the rationale behind that?

GEORGINA BEATTIE: The Government's position is that it is committed to establish future jobs and investment authorities. The focus been on consulting with the community around what those authorities should—with the model for those authorities. A number of round tables were held earlier this year and, I believe, towards the end of last year. An issues paper was released in May of this year. That received a fair bit of interest. And now the process is reviewing those submissions and determining a final model. So that has been the focus.

The Hon. CHRIS RATH: But there was a recommendation from the panel chairs to open up an early round of funding—is that right?

GEORGINA BEATTIE: The chairs provided some advice to the Minister. I don't have the exact details of that advice in front of me, but the Minister has made it very clear that the focus is on the establishment of the future jobs and investment authorities.

The Hon. CHRIS RATH: In terms of these expert panels, are the members of the panels paid? I know you might need to take some of these on notice, because I have got a handful of very specific questions.

GEORGINA BEATTIE: I should be able to answer those questions. In terms of the question that you asked me just before, I can confirm that the \$22.5 million was deposited in the first week of July this year. In terms of the payment of the panels, they are paid. It is stipulated in the Mining Act that the members of the panel are entitled to be paid allowances as well as remuneration in accordance with their classification under the framework for boards and committees.

The Hon. CHRIS RATH: How much are they paid? Is it a meeting fee, or is it an annual allowance?

GEORGINA BEATTIE: The remuneration is \$10,000 a year for the chairperson and \$5,000 a year for members.

The Hon. CHRIS RATH: How often do you meet with the expert panels?

GEORGINA BEATTIE: Personally, I am not meeting with the expert panels. The focus for the Government and the focus for me and my team is the establishment of the future jobs and investment authorities. The panels were consulted as part of the development and the issues paper that was released in May this year, and we are in the process of reviewing those submissions. We received a number of submissions—I think it was about 90 submissions—from that issues paper. We're reviewing those. They've come from a broad range of stakeholders, and they are being used to inform what will be the final model for the jobs authorities.

The Hon. CHRIS RATH: Since you mentioned the future jobs and investment authorities, the new model includes transition authorities in each of the four regions: the Hunter, Illawarra, Central West and North West. Is that right?

GEORGINA BEATTIE: Yes.

The Hon. CHRIS RATH: The four authorities advise the Minister for Natural Resources. Is that one of their functions?

GEORGINA BEATTIE: Yes. The issues paper outlined a model for the authorities that was made up of local authorities in the four regions that you mentioned, which are predominantly coal-producing regions in New South Wales, as well as a board that would be comprised of the chairs of each of the local authorities and an office for future jobs and investment authorities. That model was the proposed model that we went to the community for consultation on. Now, as I mentioned, we're reviewing that model in light of the submissions that are received, and a final model will ultimately be presented to Government.

The Hon. CHRIS RATH: In terms of coal, the coal royalties increased recently. How much additional revenue did that coal royalty increase bring in for the Government?

GEORGINA BEATTIE: Just bear with me and I will find the answer to that. The coal royalty rates, as you know, increased on 1 July this year. They increased by 2.6 percentage points across the various types of coal. They are expected to raise \$2.7 billion in additional revenue over the next four years.

The Hon. CHRIS RATH: Has there been any modelling, or do you have any advice you can provide to us about what the impact of the increase in those coal royalties might mean in terms of coalmining operations, like coalmines reducing their operations, reducing staff or anything like that because of the increase in the tax? What impact would it have on the industry?

GEORGINA BEATTIE: I'm not aware of any immediate changes to coal production as a result of the increase in royalties.

The Hon. CHRIS RATH: Has no feedback been received about what impact it might have on the industry?

GEORGINA BEATTIE: Nothing that's coming to mind right now. Obviously, it's an increase in costs that will be factored in as part of commercial decisions, but there is no overall position or any specific information that I can share that is a direct result of that increase.

The Hon. CHRIS RATH: No worries. I might turn to the *Strategic Statement on Coal Exploration and Mining*. It has been referred to as not fit for purpose and, therefore, a review is needed. What is meant by "not fit for purpose"? Why isn't the 2020 statement fit for purpose?

GEORGINA BEATTIE: I'm not sure. I can't comment on who made that statement. What I can say is the Government has committed to update the statement. It was made a number of years ago by the former Government—the *Strategic Statement on Coal Exploration and Mining*. Obviously, markets have changed a fair bit in that time as well. As the Minister outlined this morning, she is committed to updating the statement, and preliminary work is starting to do that.

The Hon. CHRIS RATH: The review of the statement is taking place this year, in 2024.

GEORGINA BEATTIE: We're certainly commencing work on that. The focus, to date, has been on the Critical Minerals and High-Tech Metals Strategy. They're two of the strategic statements around the resources sector. Preliminary work has commenced. It is highly linked, as the Minister said this morning, to the future jobs and investment authorities. The issues paper that was released in May this year had a whole lot of analysis in it around coalmine closures and what we expect to see. There's no doubt there will be a long-term decline in coal production globally and in New South Wales as the world moves towards net zero. Understanding what that looks like and mapping out those consent time frames is the beginning of the work that we're undertaking to update the statement and to try and have an evidence-based approach to what we expect to see in the coal sector over time.

The Hon. CHRIS RATH: Is consultation taking place with key industry stakeholders in the coal sector, or is it still too early and we're not up to that stage just yet? Has the review only just commenced?

GEORGINA BEATTIE: Certainly we are consulting with all stakeholders as part of the future jobs and investment authorities, and they're similar stakeholders, because it's about what's happening with coal in those coal-producing regions. In terms of specific consultation on the coal statement, there hasn't been any engagement with stakeholders on that at this stage. It's very early days.

The Hon. CHRIS RATH: I might just go back to the expert panels. Were the members of the expert panels on contracts?

GEORGINA BEATTIE: I would have to take that one on notice.

The Hon. CHRIS RATH: Are they still being paid?

GEORGINA BEATTIE: They are still being paid.

The Hon. CHRIS RATH: But they don't have any real workload left anymore, do they, in terms of their role or function? What are they being paid to do?

GEORGINA BEATTIE: There haven't been any recent meetings—formal meetings—of the expert panels, but they have been consulted as part of the future jobs and investment authorities. The Government is working on a new model for those authorities and, as the Minister said this morning, that is different to the former Government's approach, which established the expert panels. The panels are established in the Mining Act. The

Act establishes those panels, which is why they continue to exist and continue to receive remuneration. Until the time that the Mining Act is amended, that will continue to be the case.

The Hon. CHRIS RATH: You won't just rescind the contracts and pay them out? That's not being considered?

GEORGINA BEATTIE: Under the Mining Act—I believe we would need to change the Act to allow that to occur.

The Hon. DAMIEN TUDEHOPE: Ms Forbes, can I come to you? I appreciate you're in the job for a very short period of time and this is probably the first time you've ever been to an estimates hearing.

ANDREA FORBES: Correct.

The Hon. DAMIEN TUDEHOPE: At least you didn't stand up to take the oath. One of the things that you're engaged in is, or your role is, the process of moving to new contracts for the whole-of-government banking service. Is that correct?

ANDREA FORBES: Yes, that's correct.

The Hon. DAMIEN TUDEHOPE: I'm not casting any aspersions. Your previous role was with Westpac, was it not?

ANDREA FORBES: Correct.

The Hon. DAMIEN TUDEHOPE: Does that create any impediment for you in terms of making that assessment in respect of banking contracts—in circumstances where you have an employment record with one of the institutions that may well be tendering for that banking contract with the Government?

ANDREA FORBES: Yes, Mr Tudehope. Like people who do move from the private sector into government, I declared this conflict. It's being managed in accordance with the Treasury policies, and I am not formally involved in the evaluation process for the bank tender.

The Hon. DAMIEN TUDEHOPE: Well, probably you should take that off your title then, shouldn't you?

ANDREA FORBES: There are other aspects to the banking policy at Treasury.

The Hon. DAMIEN TUDEHOPE: To the extent that there is an ongoing review of the Government's banking contracts, you won't be involved in that?

ANDREA FORBES: I'm not involved in the formal evaluation process.

The Hon. DAMIEN TUDEHOPE: Should Westpac become the successful tenderer, is there then an ongoing problem with your engagement in the regulation or management of banking on behalf of the Government?

SONYA CAMPBELL: Mr Tudehope, I might answer that question, if that's okay. I would say that many of the banking experts in our team in Treasury have come from the private sector from one organisation or another over the years. As Ms Forbes says, she's not directly involved in the evaluation of the core banking tender, but she is now operationally responsible for the remit of the banking group, which has a much broader remit than just retendering services, which happens every five or so years.

The Hon. DAMIEN TUDEHOPE: I was around when the last one was on.

SONYA CAMPBELL: Yes.

The Hon. DAMIEN TUDEHOPE: Can I then take you, Ms Forbes, to the procurement media release which has been issued. I do appreciate that you've only been in the job one week. If Ms Campbell wants to jump in and give you a hand—

SONYA CAMPBELL: Yes, Mr Tudehope. I might take questions in the first instance as I've been substantively in the role, obviously, since the Minister came into her position, and Ms Forbes will jump in if I have any gaps over the four weeks or so that she's been in the department.

The Hon. DAMIEN TUDEHOPE: I thought you'd jump in if she had a gap.

SONYA CAMPBELL: I think it's a lot to expect her to be up to speed in a matter of weeks, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: There has been a fair bit of discussion about the 30 per cent increase in weighting to capture local content, job creation, small business and ethical supply chains. That's how it's expressed. Do you consider that the NSW Procurement Board is not functioning effectively as it is?

SONYA CAMPBELL: Mr Tudehope, I think that's asking for an opinion around the effectiveness of the board. The board has in place a number of directions, as you would know, and the Minister has given a specific direction in relation to an existing board direction to give effect to this Government's policy direction.

The Hon. DAMIEN TUDEHOPE: Is the only thing that is being done increasing from 20 per cent to 30 per cent the local content requirements and, to give the policy its proper focus, also adding the additional weightings of local content, job creation, small business and ethical supply chains? Isn't that all that is occurring in relation to existing policy?

SONYA CAMPBELL: No. I think, as the Minister said this morning, Mr Tudehope, it's a broad package of reforms that the Minister has introduced. It will start with the assistance that the ministerial direction around local suppliers will give the Jobs First Commission in terms of understanding the local supplier network within New South Wales and requiring agencies to routinely report to the Procurement Board on procurements where there has or has not been a local supplier that could meet the requirements of that procurement. That will be information that the Jobs First Commission, once established, will be able to receive and know where to effectively work with suppliers across New South Wales to assist them to navigate New South Wales procurement rules. In addition, as you said, there is the 30 per cent tender weighting.

The Hon. DAMIEN TUDEHOPE: This is in addition to the 30 per cent, is it?

SONYA CAMPBELL: Yes, correct. There is a ministerial—

The Hon. DAMIEN TUDEHOPE: We've got the small and regional business policy.

SONYA CAMPBELL: That is still in existence, but that will be reviewed as we work through developing a local content policy that will come under the remit of the new Jobs First Commission.

The Hon. DAMIEN TUDEHOPE: And the Aboriginal Procurement Policy?

SONYA CAMPBELL: That is still in place, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Is that in addition to the—

SONYA CAMPBELL: That is in addition to the suite of new policy reforms that the Minister has announced.

The Hon. DAMIEN TUDEHOPE: One of the things that's required under the new direction is the early engagement with industry.

SONYA CAMPBELL: Correct.

The Hon. DAMIEN TUDEHOPE: That already exists, doesn't it?

SONYA CAMPBELL: It would exist in practice in some parts of government, but it would not be a mandated requirement—

The Hon. DAMIEN TUDEHOPE: Yes, it is.

SONYA CAMPBELL: —in the way that the Minister has requested.

The Hon. DAMIEN TUDEHOPE: You're aware of the Procurement Policy Framework, aren't you?

SONYA CAMPBELL: Yes, I am—the plan, yes.

The Hon. DAMIEN TUDEHOPE: It states:

Agencies and State Owned Corporations ... must apply the default practices in the ... **Procurement for Large, Complex Infrastructure Projects** in a manner commensurate with project needs. These practices include:

- Use early contractor engagement ...

SONYA CAMPBELL: I think the difference being, Mr Tudehope, that that now has to be reported back to NSW Procurement and to the Procurement Board to help inform the Jobs First Commission to understand the landscape for local businesses in New South Wales.

The Hon. DAMIEN TUDEHOPE: So what is effectively occurring is the policy parameters are already there but it's the reporting back which is now going to be mandated.

SONYA CAMPBELL: Yes. I think, Mr Tudehope, you'd understand the challenges in reporting in data in a very devolved model of procurement in New South Wales—that this is an ability to bring that information into the centre to help inform policy direction and advocacy to assist New South Wales businesses.

The Hon. DAMIEN TUDEHOPE: This document is a very comprehensive document about what is expected of agencies in relation to the procurement process. It goes through in some detail. Can you tell me what is going to change other than this reporting back and the establishment of the Job First Commissioner to ensure that this is being put in place? Certainly, the 30 per cent is additional.

SONYA CAMPBELL: I think that the biggest change is going to be around greater information transparency and accountability of agencies in understanding that they are compliant with the Procurement Policy Framework, which has been something that has been raised routinely through parliamentary inquiries during the course of this year.

The Hon. DAMIEN TUDEHOPE: In relation to that, we heard a lot this morning about value for money. Value for money is never just about dollars, is it, under the existing procurement policy?

SONYA CAMPBELL: Correct.

The Hon. DAMIEN TUDEHOPE: In fact, the sorts of things that we were discussing or that were being discussed by the Minister this morning already exist under the procurement policy in terms of—value for money is monetary value together with ESG requirements and disability requirements and the manner in which agencies potentially can make an assessment about long-term compliance with their obligations under a contract.

SONYA CAMPBELL: Correct, but those agencies would never have had any obligation to be accountable for how they've assessed that value for money, and routinely we hear from suppliers that government continues to award contracts based on lowest cost. This suite of policy reforms will help us better understand and build capability in the sector to be genuinely assessing value for money.

The Hon. DAMIEN TUDEHOPE: Do you say agencies aren't complying with their policy framework?

SONYA CAMPBELL: I wouldn't make that statement. That would be asking for an opinion, Mr Tudehope. I would say that we probably don't have sufficient evidence to be able to answer your question.

The Hon. DAMIEN TUDEHOPE: One of the statements made this morning was in terms of rolling stock which was purchased overseas in respect of those—

SONYA CAMPBELL: Yes.

The Hon. DAMIEN TUDEHOPE: That stock was not of sufficient quality, or whatever it is. Rolling stock and transport stock is not covered by the procurement policy, is it?

SONYA CAMPBELL: It would be. Transport is a government sector agency.

The Hon. DAMIEN TUDEHOPE: But it's exempted.

SONYA CAMPBELL: It's exempted from free trade agreements—correct.

The Hon. DAMIEN TUDEHOPE: When, for example, the new metro was being purchased, were you aware whether any Australian tenderers tendered for that project?

SONYA CAMPBELL: I obviously can't disclose details of a tender process. I probably can't say much more than that, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Was there any company in New South Wales capable of being able to fulfil that contract?

SONYA CAMPBELL: I think that's a very specific question to the transport department, who would've been responsible for that procurement.

The Hon. DAMIEN TUDEHOPE: And you don't know?

SONYA CAMPBELL: We would've participated in elements of market soundings to understand which suppliers had the capability to deliver at that scale and complexity. A lot of it will depend on how the particular agency decides to package up the scope of a particular procurement. When you bundle procurement packages together, it certainly limits the number of suppliers that would have the capability to be able to deliver under that contract. There's a variety of factors, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: The actual manner in which tendering is done—is that going to be subject to oversight by the Jobs First Commissioner?

SONYA CAMPBELL: Those details, Mr Tudehope, are yet to be worked through. I think there's a practicality around how much a commission can do from the outset and then over time, but I wouldn't expect that it will be forensically analysing every procurement across government, because that is a significantly high volume.

The Hon. DAMIEN TUDEHOPE: Indeed. The Minister was saying that New South Wales engages in procurement of \$42 billion. Can I have the actual figure for last year?

SONYA CAMPBELL: Goods and services, that is?

The Hon. DAMIEN TUDEHOPE: Yes, \$42 billion—a level of procurement up to June 2024.

SONYA CAMPBELL: I don't think that we have the verified spend for 2023-24. I think we have it for 2022-23.

The Hon. DAMIEN TUDEHOPE: What was it for 2022-23?

SONYA CAMPBELL: I think that's the \$42 billion.

ANDREA FORBES: That's the \$42 billion.

The Hon. DAMIEN TUDEHOPE: I think this question may have been asked this morning. Are you able to tell us, of that \$42 billion, how much went to local New South Wales businesses?

SONYA CAMPBELL: I think we'd have to take that question on notice from when it was asked this morning.

The Hon. DAMIEN TUDEHOPE: How are we going to be able to measure whether the new policy is going to be productive if there is no increase or above in relation to the amount currently being spent on New South Wales?

SONYA CAMPBELL: As the Minister said this morning, there are gaps in data, and we need to start somewhere to establish that baseline so that over time we can measure the success of the policy direction.

The Hon. DAMIEN TUDEHOPE: Some of the criticism which was being levelled at previous iterations of procurement policy was that there was no consideration of small or regional businesses. That's not true, is it?

SONYA CAMPBELL: No. There is an existing small and—

The Hon. DAMIEN TUDEHOPE: Regional business policy.

SONYA CAMPBELL: —regional business policy. Correct.

The Hon. DAMIEN TUDEHOPE: And in terms of the consideration that the Procurement Board was required to take into account in assessing contracts, there was a weighting in favour of small and medium businesses. That will continue, I take it?

SONYA CAMPBELL: Correct. That policy is still currently in place as of today, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Regional businesses—there were provisions during, for example, the bushfire season.

SONYA CAMPBELL: Correct.

The Hon. DAMIEN TUDEHOPE: There was a direction, was there not, that small businesses and local businesses be used in relation to the clean-up?

SONYA CAMPBELL: Correct.

The Hon. DAMIEN TUDEHOPE: It was a very good Minister who gave that direction, wasn't it?

SONYA CAMPBELL: That's a matter of opinion, Mr Tudehope.

The CHAIR: That's seeking opinion.

The Hon. GREG DONNELLY: Take that on notice.

The Hon. CHRIS RATH: Good as in effective or good as in virtuous?

The Hon. DAMIEN TUDEHOPE: It just goes to show that all these things are not new. There was a question I asked the Minister this morning, but I'm unsure of the answer, as to how you will actually define what a local New South Wales business is going to be for the purposes of this new policy.

SONYA CAMPBELL: Yes, the question was asked, and the Minister spoke to the difference in interpretation from a local content policy that will be administered by the Jobs First Commission that will include Australia and New Zealand, in compliance with our obligations, as compared to the ministerial direction, which is around the local market testing, which is New South Wales based enterprises. I think the simplest way to explain it is "businesses that are producing goods or services in New South Wales".

The Hon. DAMIEN TUDEHOPE: And will that be defined in that manner?

SONYA CAMPBELL: The intention is to provide definition and guidance as we develop those policies.

The Hon. DAMIEN TUDEHOPE: If I extrapolate that to the local content for the purposes of the new guideline which applies to Australia and New Zealand, does that mean that you will have that same definition in relation to businesses operating in Australia and New Zealand?

SONYA CAMPBELL: I think that's detail that we will work through. As the Minister says, we'll be drafting an exposure bill for consultation, and there will certainly be an opportunity for suppliers and buyers and interested parties to provide feedback on those definitions.

The Hon. DAMIEN TUDEHOPE: I also put this to the Minister: In relation to the exclusion of people who will not be able to do business with the New South Wales government, there is already in place a whole set of guidelines in relation to those businesses which are precluded from doing business with the New South Wales government, is there not?

SONYA CAMPBELL: I'm not sure I understand your question. I'm not aware of businesses that are excluded from—are you talking about performance-based exclusions?

The Hon. DAMIEN TUDEHOPE: A basis to exclude suppliers from procurement.

SONYA CAMPBELL: I think you asked a question around clause 12 of the current EPP direction—

The Hon. DAMIEN TUDEHOPE: Correct.

SONYA CAMPBELL: —which is still in force. That has a set of circumstances where suppliers could be excluded, which are quite specific, including insolvency. What the Minister and Ms Forbes were speaking about this morning—and Ms Forbes might want to add a little bit more context—is considering what, in addition to that, the Government could introduce, having considered approaches that have been taken more recently in other jurisdictions and in response, in particular, to concerns raised by ICAC and others around having more transparent and centralised processes to prevent suppliers who have materially breached their obligations from tendering in New South Wales. Ms Forbes, was there anything that you wanted to add?

ANDREA FORBES: I'd probably just add that the jurisdiction we are looking at reasonably closely is Western Australia, which has a debarment regime in place and has had one since about 2022.

The Hon. CHRIS RATH: On ICAC, which you just mentioned before, and some of their concerns, how do you ensure, with this new policy, that it's not open to gameable or corrupt practices? What systems are in place to prevent that and to address some of ICAC's concerns?

SONYA CAMPBELL: I listened to the testimony of the commissioner in estimates and in his submissions as well. The concern there is more at a local government level, particularly for contracts under \$1 million. Our thresholds around our policies are \$7.5 million and above, so we don't think it carries the same risk. In New South Wales government procurement practices, we comply with the Procurement Policy Framework, as Mr Tudehope has pointed out, and there is a lot more rigour and less risk than the risks that the commissioner has been speaking about.

The Hon. CHRIS RATH: I agree with that. I think that if it's within one LGA, for instance, the catchment is so much smaller than, say, the whole State. But say you were looking to acquire a certain piece of equipment and you wanted to buy from within New South Wales, but there might only be one supplier of that particular piece of equipment—say, something you need on a train or a bus. Then that could potentially be open to a gameable or corrupt—even though the catchment is quite large, there might only be one provider in all of the State.

SONYA CAMPBELL: There is nothing in any of the policy direction that precludes suppliers from outside of New South Wales for tendering. The policy direction is intended to make sure that local suppliers are considered in procurement processes, and all of the criteria in the Procurement Policy Framework will still apply.

The Hon. CHRIS RATH: Was the new policy something that ICAC was consulted on?

SONYA CAMPBELL: I don't know that I can answer that question specifically. I know that the ICAC commissioner has presented to the NSW Procurement Board earlier this year, and had spoken to the outcome of the Operation Hector report and to concerns around risk around local content policies, where he spoke directly to the risks that I just referred to being more prominent at a local government and lower thresholds of contract spend.

The Hon. CHRIS RATH: When I look through three tenders, for instance, in 2023-24, one was Laing O'Rourke, which has a registered ABN in Victoria. They were awarded a contract of about \$5.2 million, for instance. Are you aware of that?

SONYA CAMPBELL: I'm not aware of the specific contract, Mr Rath, but what I would say is irrespective of where their registered business address is, the intent of the policies is to be looking at where the goods and services are produced. Laing O'Rourke is a national company. They operate all over the country. They have offices here in Sydney. They will have locally employed people. Most construction contracts have local industry participation requirements embedded within them. The fact that their registered business address is in Victoria is not the intent of the interpretation of the policy direction.

The Hon. CHRIS RATH: Sure, and that goes to Mr Tudehope's question before about what is local content or how do you define local procurement.

SONYA CAMPBELL: Correct.

The Hon. CHRIS RATH: It's not necessarily just the registered ABN as the metric. But would you say that where the majority of their production takes place is a better metric than where their ABN is registered or where their head office is located, for instance?

SONYA CAMPBELL: Correct, and that's where the future skills guarantee is a complementary part of the policy suite, because that is around apprentices, learning workers and Aboriginal participation within New South Wales.

The Hon. DAMIEN TUDEHOPE: Could I ask you a bit about the establishment of the Jobs First Commission? Has any modelling been done in relation to how that's going to be staffed and budgeted?

SONYA CAMPBELL: Yes. Treasury has done some modelling around the expected costs. But I think, Mr Tudehope, until such time as the bill has been drafted, it has been consulted on and the legislation has passed, we can't precisely model what the costs of this will be.

The Hon. DAMIEN TUDEHOPE: One of the issues relating to ensuring local components was the Buy NSW model, which allowed New South Wales businesses to identify tender opportunities. That will continue to exist, will it not?

SONYA CAMPBELL: Correct, and the board has made some enhancements around tagging within the Buy NSW system, to assist buyers identifying a whole range of categories of suppliers.

The Hon. DAMIEN TUDEHOPE: In terms of collecting data, in respect of New South Wales businesses being able to do business with the New South Wales government, why wouldn't that data be available from Buy NSW?

SONYA CAMPBELL: I think the distinction is that there's nobody collecting that data at the moment. The intention of the setting up the Jobs First Commission is that you have a centralised responsibility for understanding the data and advocating and liaising with New South Wales based businesses.

The Hon. DAMIEN TUDEHOPE: It would be a pretty good resource, would it not—

SONYA CAMPBELL: I expect it would be, yes.

The Hon. DAMIEN TUDEHOPE: —for being able to identify New South Wales businesses which are already doing business with the New South Wales government and being able to expand, potentially, the remit of Buy NSW as the principal vehicle for alerting New South Wales businesses of opportunities with the New South Wales government?

SONYA CAMPBELL: I sincerely hope that it's going to be a great source of data.

The Hon. DAMIEN TUDEHOPE: It has been.

SONYA CAMPBELL: I think this is about making sure there's clear central responsibility for collecting the data, providing insights on the data and informing that policy direction, which is not currently the role of the Department of Customer Service, who manage the Buy NSW website.

The Hon. DAMIEN TUDEHOPE: In relation to tendering, there is currently a regime for being able to deal with tenderers who are unsuccessful and complaints relating to unsuccessful tenderers. Will that be administered by the new New South Wales jobs commissioner?

SONYA CAMPBELL: I don't think I can answer that question at this point in time. Currently, it's administered by the Procurement Board, and we'll need to review the responsibilities of the Procurement Board and how they operate alongside the new Jobs First Commission, once it is stood up. Until such time, that is still the responsibility of the Procurement Board.

The Hon. DAMIEN TUDEHOPE: It was suggested this morning that there are multiple jurisdictions which have adopted a similar sort of policy in respect of their jurisdictions. I think Victoria is held up as a model jurisdiction, and Western Australia. Was advice ever obtained about whether those jurisdictions and the model which they use complies with Australia's obligations under its free trade agreements?

SONYA CAMPBELL: As the secretary said this morning, I can't disclose specifics of legal advice. I can tell you that, within the department, we did our own cross-jurisdictional analysis. I can tell you that every jurisdiction in Australia, including the Commonwealth, has some form of local content and local preferencing policies. We have sought to align the wording of directions and policies to be consistent with compliance with those international obligations.

The Hon. DAMIEN TUDEHOPE: The wording of the current policy directly reflects and is taken almost directly from the wording contained in the WTO procurement agreement.

SONYA CAMPBELL: The distinction being that the free trade agreements exist in their own right. The EPP direction is a direction of the NSW Procurement Board, and New South Wales is the only jurisdiction that has done that. What the Minister is seeking to do through her direction is to remove a Procurement Board imposed direction that has the force of law for agencies. It has the effect of putting agencies in breach of law, which is a very different circumstance to the interpretation of compliance with free trade agreements at the Commonwealth level.

The Hon. DAMIEN TUDEHOPE: That's the most information that anyone has given us so far as to how this is being interpreted. I thank you for that.

SONYA CAMPBELL: I hope that's helpful.

The Hon. DAMIEN TUDEHOPE: It is helpful. Having provided us with that expert analysis, it appears that other jurisdictions get away with it, so to speak, until such time as there is some sort of complaint. Let me put a specific proposal to you. You may remember this. Do you recall when there was a review of the ICT policy in respect of the New South Wales Government procuring ICT services? A proposal in relation to that was to increase local content. Do you recall that?

SONYA CAMPBELL: I wasn't specifically involved, Mr Tudehope, but I can see a scenario that you're speaking about.

The Hon. DAMIEN TUDEHOPE: Again, you may not be aware of this, but do you recall that DFAT in fact wrote to the New South Wales Government and identified the fact that the proposal directly conflicted with Australia's obligations under its free trade agreements?

SONYA CAMPBELL: I am not aware of that advice.

The Hon. DAMIEN TUDEHOPE: Will you take that on notice?

SONYA CAMPBELL: That would be advice, obviously, to the former Government, which can't be disclose to the current Government.

The Hon. DAMIEN TUDEHOPE: I'm happy for you to disclose it.

SONYA CAMPBELL: Is your question am I aware of that advice? My answer is no.

The Hon. CHRIS RATH: I've got other non-procurement questions. I started asking these questions in the Treasurer's estimates the other day, so I think you've had a bit of time to prepare. I want to ask about interstate debt. How much money do other States still owe New South Wales because of hotel quarantine bills accrued during COVID?

SONYA CAMPBELL: I will defer to Ms Livingstone, but I did discuss this with the Secretary during the lunchbreak. His response to me is that we are responding to that question on notice for the Treasurer.

LIZ LIVINGSTONE: We will certainly do that. We should also say that debts are not recorded on the New South Wales balance sheet and do not need to be written off if they're not recovered.

The Hon. CHRIS RATH: I might ask some questions, and some of these might have to be taken on notice. I wanted to know how much we are owed by other States, broken down by State. I assume it's mostly Queensland that still owes us compared to the others. Also, is there any money that we're owed that is not COVID related? I assume it probably is all COVID—or the vast majority of it—but is there's any other interjurisdictional debt that New South Wales might be owed?

LIZ LIVINGSTONE: That's right. COVID is a peculiar case because of the circumstances in which the fees were incurred. There are certainly other arrangements where States might use each other's services. There are

different mechanisms to reimburse each other for those things. There are no instances that we are concerned about in terms of having outstanding payments. Health is a good example. Someone close to a border might use a hospital in another State, and there are arrangements in place to pay States for that. Some of those boundary-type issues are also dealt with in the allocation of health GST.

The Hon. CHRIS RATH: Fair enough. I think in those instances the State that might owe us money will pay us back. It's just with the quarantine bill that some of them are refusing to do so. I also wanted to know if any of the money has been paid back from the hotel quarantine bill?

LIZ LIVINGSTONE: Any at all?

The Hon. CHRIS RATH: Yes, or how much.

LIZ LIVINGSTONE: Certainly most of the quarantine amounts were paid back. I might hand over to my colleague, Joann, who is actually more expert in this compared to myself.

JOANN WILKIE: I have a table of figures here, Mr Rath. I can read them out for you if you would like.

The Hon. CHRIS RATH: Yes. How big is the table?

JOANN WILKIE: It is a page of figures. As Ms Livingstone and Ms Campbell said, we can provide this on notice.

The Hon. CHRIS RATH: That would be good if you could provide that on notice rather than going through it now.

JOANN WILKIE: How about we do that, because it's a jumble of numbers otherwise.

The Hon. CHRIS RATH: That would be more helpful than me trying to write it all down and then trying to read my handwriting later. What remedies are available for collecting outstanding debt? Is there a legal action we can take or some kind of mediation? How does New South Wales try to recover that debt except for asking nicely?

JOANN WILKIE: All of these arrangements, and the ones that Ms Livingstone mentioned—for example, the use of hospitals in one jurisdiction by residents or citizens of another jurisdiction—are all under national agreements or arrangements, Federal financial agreements that we have with the Commonwealth. We call them agreements, and they're negotiated on a sort of contract-like basis, but they aren't enforceable contracts in terms of something you could sue over or take to court. They are agreements that are done under the broader intergovernmental agreement. There is no kind of formal way of requesting or requiring a debt to be paid in that sense. The best way we can do it is to ask the Commonwealth Grants Commission to take into account unpaid moneys in peculiar circumstances, which is what we've done with the COVID quarantine grants.

The Hon. CHRIS RATH: We've made a request to the Grants Commission and asked them to take it into consideration.

JOANN WILKIE: That's right, yes.

The Hon. CHRIS RATH: That's good to know. I was wondering what the legal remedy would be. It sounds more like it's a loose arrangement rather than a legally binding contract between the States.

JOANN WILKIE: That's right. I wouldn't call them loose arrangements in the sense of how much time and trouble we have to spend on the negotiations of the clauses with the Commonwealth, but they're not enforceable in a court.

The Hon. CHRIS RATH: Thank you. The other issue—and I think you answered pretty much all of my questions on this in the Treasurer's estimates—was on the foreign investment issue of properties. I was asking about the foreign properties surcharge levy and the money that's collected from that. Does Revenue NSW collect that money raised from the surcharge?

SCOTT JOHNSTON: Yes. That's correct.

The Hon. CHRIS RATH: I think last time around you were going to come back to us with a specific number of properties that were subject to that surcharge. You gave me a loose figure last time which was—you may have taken it on notice in the Treasurer's estimates, but I'll probably just say it again in case I've missed it. If there's any information that you can provide about the number of properties that have been subject to the foreign surcharge levy, maybe for the last couple of years, and in particular with the increased tax that's come in.

SCOTT JOHNSTON: Sure. I can take that on notice.

The Hon. CHRIS RATH: That would be helpful. I think I mentioned it in the Treasurer's estimates, but I'm not sure.

JOANN WILKIE: You did, Mr Rath. The number I gave you was that, in the last couple of years, it's been less than 2,000 properties that have been purchased by a foreign investor in New South Wales. Mr Johnston is indeed the person who can provide you with the exact number.

SCOTT JOHNSTON: Specifically purchaser duty? You're interested in new purchases?

The Hon. CHRIS RATH: Yes, that's right. Thank you for that.

The Hon. DAMIEN TUDEHOPE: The threshold for land tax has not been indexed this year. How many additional properties do you expect will be the subject of a land tax assessment for the first time in 2025 when the land tax assessments are being issued?

SCOTT JOHNSTON: That would be a Treasury question in terms of the modelling.

The Hon. DAMIEN TUDEHOPE: Have we done any modelling on how many properties or additional properties are likely to be—

JOANN WILKIE: We've done modelling using previous valuations in terms of what we think the freezing will mean in terms of the revenue, but we haven't specifically looked at numbers of properties. I can take that on notice.

The Hon. DAMIEN TUDEHOPE: Is there going to be any program to help people know that they are going to be liable for the first time to pay land tax on a property that they own because they change in valuation?

SCOTT JOHNSTON: So we would, through the normal process where property value changes and people become subject to land tax for the first time, send them an assessment and provide support in how they can meet that obligation. Absolutely thought needs to be made by us around how do we give extra support if there's increased numbers of people for the first time paying land tax.

The Hon. DAMIEN TUDEHOPE: Or may inadvertently not pay it because they're unaware.

SCOTT JOHNSTON: Or may not. Correct.

The Hon. DAMIEN TUDEHOPE: We wouldn't want them paying interest on that, would we?

SCOTT JOHNSTON: No, not at all, Mr Tudehope. We've extended the payment plan options for people. They can repay their land tax over nine months now, which has been very popular this year. Thinking about who are the people we need to engage with so that we can ensure that they're relatively gently introduced to land tax—if it's a new circumstance for them—is important to us. Fundamentally we want people to understand their obligations so they can meet them. If they're not aware of the fact that they're now subject to land tax, that's an issue. We've got fairly generous arrangements for people to meet their obligations.

The Hon. DAMIEN TUDEHOPE: Thompson and CCSR, a recent case involving a taxpayer's obligation to pay interest—would seem that the obligation falls on the taxpayer to know their potential obligation, not on Revenue to advise them.

SCOTT JOHNSTON: That's true, but it is also about how do we support people to provide the mechanisms for them to meet their obligations and to communicate change.

The Hon. DAMIEN TUDEHOPE: Have you got some comment on that, Mr Smythe?

CULLEN SMYTHE: I support the chief commissioner, Mr Tudehope, but—

The Hon. DAMIEN TUDEHOPE: But? Without supporting him?

CULLEN SMYTHE: It's a fundamental tenet of revenue law, I think, right across—

The Hon. DAMIEN TUDEHOPE: The obligation is on the taxpayer.

CULLEN SMYTHE: Right across the world. That's right.

The Hon. DAMIEN TUDEHOPE: Correct. They have the fundamental obligation so there may well be taxpayers who are not aware that they have a liability. Do you have the discretion to waive the interest?

CULLEN SMYTHE: There are powers, yes. There is an ability on the chief commissioner to remit interest.

The Hon. DAMIEN TUDEHOPE: What are the guidelines for exercising the discretion?

CULLEN SMYTHE: No formal guidelines have been issued under the legislation at the moment. Interest is made up of two components: a premium component, which is 8 per cent; and a market rate, which is an average 90-day bank bill rate. As a general matter any questions around remission of interest or penalty taxes take into account the individual circumstances of the taxpayer in question.

The Hon. DAMIEN TUDEHOPE: That's the rule that you apply in relation to a taxpayer that is inadvertent, potentially, of their obligation to pay land tax.

CULLEN SMYTHE: That's right, yes, for interest. There are slightly different rules around penalty tax.

The Hon. DAMIEN TUDEHOPE: What are those?

CULLEN SMYTHE: For example, someone has engaged in intentional hindrance of an audit during an audit. If they are aware of their obligations and they decide not to share that information, if they passively hinder or if they don't engage—that's a factor—or if they intentionally destroy evidence or documentation those could incur additional penalties.

The Hon. DAMIEN TUDEHOPE: That's intentional. What about reckless disregard for their obligations? Does that—

CULLEN SMYTHE: Reckless disregard—it does. There's actually a table in the tax administration Act—you'd have to forgive me for the section; it's around 30 or 32—that outlines a number of factors that are taken into account. There is currently a practice note on that issue that outlines the chief commissioner's practice on remitting interest and penalties. At the moment there are a number of factors that look at those sorts of things—the sophistication of the taxpayer payer and, I'm sure you'd appreciate, if we're dealing with a multinational with an in-house tax team of 15 people we would view any request for a remission potentially differently from a mum-and-dad, small operation that's out in rural New South Wales, for example.

The Hon. DAMIEN TUDEHOPE: Is there an appeal process from that?

CULLEN SMYTHE: Absolutely.

The Hon. DAMIEN TUDEHOPE: For the ordinary mum and dad who potentially are unaware of an obligation?

CULLEN SMYTHE: There is. The process is outlined in the tax administration Act. It begins with the issue of an assessment but, in most cases, an assessment is not—before an assessment is issued, in many cases, there will be some level of interaction with the taxpayer that we have. If they're dissatisfied with the assessment, they have the right to object. That's a Revenue in-house process but by a separate team from the group that made the assessment in the first place.

The Hon. DAMIEN TUDEHOPE: I've got a lot more questions I want to come back to you on. I just want to ask Ms Campbell this: How many visitors each year visit The Star casino?

SONYA CAMPBELL: I wouldn't know that number off the top of my head.

The Hon. DAMIEN TUDEHOPE: If I told you it was 11 million people that visit The Star casino each year, would that surprise you?

SONYA CAMPBELL: That would sound reasonable, yes.

The Hon. DAMIEN TUDEHOPE: So if I told you that there were 4,000 people employed there, that's about right, is it not?

SONYA CAMPBELL: Yes, we have looked at the number of employees at The Star casino.

The Hon. DAMIEN TUDEHOPE: In terms of ensuring that there wasn't a significant impact on the New South Wales economy by virtue of decisions relating to The Star casino, would you agree that there is a case to be made by The Star casino, in view of the fact that there is now new management in place, to give some latitude in terms of their tax obligations?

The Hon. STEPHEN LAWRENCE: Point of order: That's really seeking an opinion on the making of policy.

The Hon. ROBERT BORSAK: No, proceed with the question and we'll see what happens.

SONYA CAMPBELL: I think these questions were answered this morning by the Treasury secretary. I don't have anything further to add to what he said and to what is on the public record on behalf of the New South Wales Government. I think the important point that the secretary made is that the circumstances from when we were looking at the New South Wales based tax last year and the circumstances of The Star now are different.

The Hon. DAMIEN TUDEHOPE: What do you say is different, besides the additional debt which is being incurred in respect of the Queensland casino?

SONYA CAMPBELL: I would take that on notice. I'm not in the detail at the moment on this, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Who in Treasury is providing advice in relation to this?

SONYA CAMPBELL: It's a combination of executives in my team and Ms Wilkie's team, together with the secretary.

The Hon. DAMIEN TUDEHOPE: Has any consideration been given to some sort of bailout package to ensure that The Star is able to continue?

SONYA CAMPBELL: I am going to defer the question to Ms Wilkie because I was overseas on leave when all of the recent announcements were made. Ms Wilkie might be able to help answer your question.

JOANN WILKIE: I will give it a go, Mr Tudehope. In my 25 years of public service, and a lot of that being in Treasury, it is fairly standard practice. When a significant employer or a large company is looking like it's in difficulties, there is usually a piece of work that is done to look at that company, the impact on the economy and what the Government may or may not be able to do to provide support. There has been a piece of ongoing work for some time looking at that. Given that those are all matters that have been provided to government as policy advice and under consideration by government, I really can't go into any further detail.

The Hon. CHRIS RATH: I might turn to the payroll tax for medical centres issue. What modelling has been done about how visits to a GP could become cheaper as a result of the change of policies? Is this to Ms Wilkie?

JOANN WILKIE: It's probably better directed to me since it's on the policy. Administration/policy is the way we divide it up. As Minister Houssos said this morning, Mr Rath, we worked closely with the health department on looking at these issues and the modelling around the impact on GPs, visits to GPs, and then the impact around emergency departments was done by the department of health. So I would have to take that on notice. I don't have any of that detail with me.

The Hon. CHRIS RATH: This question might be to Health or you might need to take it on notice. Is there any evidence of GPs in medical centres reducing their fees as a result of the Government's budget announcement?

JOANN WILKIE: I'm not aware of any. We can talk to the health department and see if they're aware of any. Yes, the announcement was made in the budget on 18 June; the regulation only came into effect yesterday, so we may not have any data.

The Hon. CHRIS RATH: If there is anything—

JOANN WILKIE: We can.

The Hon. CHRIS RATH: This one probably is to Mr Johnston. What is the forecasted collection of payroll tax from medical centres this financial year?

SCOTT JOHNSTON: It's really, again, back to Treasury actually, for forecasting and modelling.

The Hon. CHRIS RATH: Is it? Sorry, I thought it might be you.

SCOTT JOHNSTON: We do the doing bit.

JOANN WILKIE: Sorry?

The Hon. CHRIS RATH: What is the forecasted revenue from payroll tax from medical centres for this financial year?

JOANN WILKIE: The rebate? The support or the actual money we'll collect?

The Hon. CHRIS RATH: The overall figure and the rebate. Start with the overall figure, if you have it. Or if you need to, take it on notice.

JOANN WILKIE: I think I'll have to take that on notice. We have in the budget forecasts how much we'll collect in payroll tax overall, and then in the measure for the Bulk-Billing Support Initiative we've put in the costings of what the rebate is, but I'll have to take on notice how much we expect to collect from GPs and centres.

The Hon. DAMIEN TUDEHOPE: Mr Johnston, how many GP practices are you proposing to audit?

SCOTT JOHNSTON: Mr Tudehope, as you'd be aware, we have a strong compliance and audit program, but we're not having a targeted approach to medical centres or to GPs. Much of our audit program is evidence by data. What we're going to have to do with medical centres and GPs is work closely with them to help them with their obligations and also help us to apply the new approach. I couldn't answer how many audits. It's not something in the past that we've had a strong targeted approach of auditing medical centres, so I don't expect there to be significant numbers.

The Hon. CHRIS RATH: Sorry, just to confirm, could we get the overall figure and the rebate figure?

JOANN WILKIE: Yes.

The Hon. CHRIS RATH: Do you differentiate at all between metropolitan and regional? Or could you, if those figures exist?

JOANN WILKIE: Payroll tax is forecast on an economic model rather than, say, something like coal royalties where we do actually look specifically at volumes. So we may not have that data, but we'll have a look and see what we've got.

The Hon. CHRIS RATH: Maybe in 12 months time we can get what's actually collected broken down by regional versus city?

SCOTT JOHNSTON: I think the fact that it differentiates by metro and regional, that's highly probable. I think we'll have more insight about how the program has worked and where it has been applied.

JOANN WILKIE: It's the difference between the forecasting data and then the administrative data of what's been collected.

The Hon. DAMIEN TUDEHOPE: Do we know how many medical practices are currently paying payroll tax?

CULLEN SMYTHE: One of the challenges with a question like that is the medical centre won't always be the paying entity. You might have one corporation that actually runs three or four different medical centres. Their payroll tax lodgement will be a single lodgement, but you might have two or three medical centres at various places. You may have a split between metropolitan and non-metropolitan areas. That goes to some of the complexities in reporting this back. The way that the rebate has been designed and put into, I think, schedule 2 or 2A to the Payroll Tax Act, is that the rebate factor goes down to the medical centre level. So when it comes time—say, in 12 months—to report this data, we would expect to be able to report rebate numbers on the basis of the number of medical centres that are actually reporting. That will go back into the single payroll tax return that's lodged by the reporting entity, which, if there are a number of entities, may well be a payroll tax group.

The Hon. DAMIEN TUDEHOPE: It's complex.

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: In terms of this being portrayed as a cost-of-living measure, there might be two ways to assess that. This might be a question for you, potentially, Ms Wilkie. The first way, of course, is being able to establish whether a medical centre has, in fact, reduced their fees so as to engage in bulk-billing; the second is the extent to which they are recovering rebates. Are they the two ways that you will be able to establish whether this is a true cost-of-living enhancement?

JOANN WILKIE: Theoretically, yes, those are the two ways that you would look to see what—that you would expect, if a centre receives a rebate, there is a possibility that—

The Hon. DAMIEN TUDEHOPE: If they had not previously received one.

JOANN WILKIE: —because they hadn't previously done, they would pass that straight through and, therefore, a drop in fees. In terms of whether we see it happen, that's collecting actual data. Again, Treasury is not in a position to be able to do that. We would have to consider who might collect such data—maybe the Commonwealth department of health does—or conduct a survey or something like that, to be able to access the actual data.

The Hon. DAMIEN TUDEHOPE: But in order to establish whether, in fact, they have 70 per cent or 80 per cent, as the case may be, bulk-billing arrangements, do you have to have information-sharing with the Commonwealth in relation to that?

JOANN WILKIE: Is that self-assessment, in the first instance?

CULLEN SMYTHE: That's correct.

The Hon. DAMIEN TUDEHOPE: It's self-assessment?

CULLEN SMYTHE: Yes.

The Hon. CHRIS RATH: Would you have any data about the number of medical practices that are currently bulk-billing versus not, and how the rebate might lead to a change or an increase in the number of bulk-billing practices?

JOANN WILKIE: Again, I think it was Health that undertook that work, not Treasury, so I'll have to take that on notice. But, again, I believe the Commonwealth department of health collects that data.

The Hon. CHRIS RATH: What type of communication has been given to medical practices about these changes?

SCOTT JOHNSTON: I'll pass to Commissioner Smythe, because he's been deeply involved in this the past three months or so. On 24 June the Government introduced the legislation. At that point it was announced. Perhaps, Mr Smythe, you can speak to how we've progressed from then to now, working with industry groups.

CULLEN SMYTHE: Sure. There were initial communications and we've been working very closely with the AMA and the RACGP ever since the announcement in June. We've had regular meetings—the most recent one was yesterday; I believe we have another one next week—to manage not only the policy work but to look at the practical side of how medical practitioners and medical centres understand the requirements, what education assistance they need. We have published a commissioner's practice note that works through a number of scenarios on how the rules will be applied. We circulated that in draft. We took feedback on that. So, the working group was established. We have dedicated webpages. The AMA and RACGP have acted as a conduit to their members and have given us feedback on various matters. There will be webinars in the near future to help walk practitioners through the way the legislation will apply to individual medical centres.

The Hon. CHRIS RATH: It sounds like you've done quite a lot. Some of the criticisms that I saw from the RACGP in particular said that they didn't have enough time to implement the payroll tax changes, or not enough time to gain an understanding of how it works. Is that a fair criticism? Or was it a bit rushed in terms of the implementation and now you're catching up a bit through more communications? Maybe in the early stages there was a bit of limited information.

SCOTT JOHNSTON: Perhaps I'll answer and then I'll let Mr Smythe add to it if need be. We've worked incredibly closely with the RACGP group. As Cullen said, we could work through the dates of meetings and discussion and feedback, and I think the character of what has been implemented reflects their feedback really closely as well. I appreciate they have concerns about timing, and some of it might have been levelled at a commissioner's practice note coming out only a fortnight ago, but really that's the culmination of three months or so of work together. I think we can be really comfortable about the level of engagement and the rhythm of engagement over these past few months with GPs in this space. I am really pleased, actually, with the partnership we've had. Notwithstanding criticism has been made publicly around that, I think the effort has been very strong in working through issues and continuing to. I think we're very comfortable with how we've worked with GPs.

CULLEN SMYTHE: I have nothing to add to that.

The Hon. CHRIS RATH: I think the media release that I saw from the RACGP was from maybe the day before the—

SCOTT JOHNSTON: Practice note.

The Hon. CHRIS RATH: —guidance or practice note was presented. That may have been the criticism the day before, but maybe the practice note has alleviated some of the concerns, potentially. I don't know if you've had—

SCOTT JOHNSTON: Possibly. We received feedback in the development of the practice note, which is the application, the guidance material that we do. I think we would have 30 or so of these—

CULLEN SMYTHE: That's right.

SCOTT JOHNSTON: —released on different matters of interest at any time. It's not the law; it's how we think about it and how we might apply the law to different scenarios. So, it's also something that if we need further feedback and adjustment, we can amend to make it current. It could well have been that, and I respect their view that time and other issues might have made the situation better for them. But I think we've gone to every effort to—

The Hon. CHRIS RATH: I think maybe the criticism was that the practice note wasn't released with enough time before the changes were coming into force. I think it was only a week period between the practice note coming out and the new system being in place.

SCOTT JOHNSTON: The response to that from my perspective would be the legislation was passed some months before. This was the guide around what's the next level of detail about how people might think about it based on the discussions with GPs around practical issues and scenarios.

The Hon. CHRIS RATH: Yes. You couldn't put out the practice note before the legislation passed the Parliament, I assume.

SCOTT JOHNSTON: No, and nor with engagement with GPs about what were the issues that needed to—

The Hon. DAMIEN TUDEHOPE: You'll have no way of knowing, in fact, whether the GP practice has—other than doing an audit—actually complied with the new legislation or alternatively changed their model of doing business.

SCOTT JOHNSTON: In the first instance, it will be very much about education and working with medical centres about the quality of the information that they're giving us, which happens often with changes to our legislation, whilst we build other data sources to improve the—

The Hon. DAMIEN TUDEHOPE: Yes, but there might be plenty that change their model.

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: I went to a clinic the other day and they now have a model where they've got separate terminals for each doctor, depending on what doctor has seen you, which is a change to the previous model where they had one terminal for accepting payments. If that practice was now audited for payroll tax, prima facie you would probably say that their model is now much more in keeping with being an independent contractor, as opposed to being a contractor to the company. The doctors pay a fee for administrative services which are provided. So, how will you know, in terms of whether practices have changed their model or alternatively complied with the new legislation, other than doing an audit?

CULLEN SMYTHE: That is the function of compliance. I mean, the nature of being a self-assessed tax is you start from a position of trust. By and large, we find the vast majority of taxpayers across all industries generally want to do the right thing. Compliance is to ensure that there's a level of integrity, but it also points to areas that we need to assist people with education and explaining how things work—explaining how our systems work and the type of evidence that we would expect to see kept.

The Hon. CHRIS RATH: I want to move on to the JobSaver and Micro-business Grants. I think this is to you, Mr Johnston. How many small businesses have had to repay the funds through JobSaver or through the Micro-business Grants?

SCOTT JOHNSTON: I'll need to differentiate on those two grants around functions. Service NSW, firstly, for micro-business—I think those questions would be better framed to Service NSW and the customer service Minister. They've done the administration of those grants and the compliance. Revenue NSW's role is debt recovery. They pass them to us. Specifically, JobSaver—in the heart of COVID we worked on it together, so we had a deeper role around compliance. Your question again, after I have meandered, was how many—

The Hon. CHRIS RATH: Yes, thank you for that. How many businesses—small businesses or businesses generally, I suppose—have had to pay back the funds that they received through the JobSaver program? If you have to take it on notice, that's fine.

SCOTT JOHNSTON: I might take it on notice just to give it clearer. I have information available.

The Hon. CHRIS RATH: Yes, and maybe if you can also take on notice the value—the number of businesses and the dollar figure as well that would have to be paid back through JobSaver.

SCOTT JOHNSTON: Sure.

The Hon. CHRIS RATH: Has it all been paid back now or is there still debt recovery?

SCOTT JOHNSTON: There is still debt recovery. The majority of the work for JobSaver is completed. I'll provide the data to you to confirm that. But there is still some ongoing, noting much of that would be businesses on payment plans progressively returning money owed.

The Hon. CHRIS RATH: The other question, which you probably need to take on notice, is very specific. How many debt recovery notices have been issued, and how many have been overturned as well? I assume there

is a number—I'm not sure what proportion, but there'd be a number that would have been challenged or have been overturned.

SCOTT JOHNSTON: Yes, there are some that would have been withdrawn, some from a hardship perspective were considered, so I can probably categorise that and frame it in a way that probably meets your needs.

The Hon. DAMIEN TUDEHOPE: Can I now take you to the shared equity scheme? What are the criteria which we're currently using to evaluate the Shared Equity Home Buyer Helper scheme?

SCOTT JOHNSTON: To evaluate the—what?

The Hon. DAMIEN TUDEHOPE: Well, there's a pilot scheme.

SCOTT JOHNSTON: To evaluate the acceptance of someone applying, or the ongoing—

The Hon. DAMIEN TUDEHOPE: No, actually, the effectiveness of it.

SCOTT JOHNSTON: Sorry, to clarify, specifically of the individual home owners?

The Hon. DAMIEN TUDEHOPE: Yes.

SCOTT JOHNSTON: We haven't commenced compliance to that. From the outset, we were framing between—it's the obligation of the home owner to advise us where their circumstances have changed. Noting that we're about 20 months after it commenced, where the compliance function of this will be working with the home owners, we're there to provide after several years, if their circumstances changed. Currently I would say it's too early to give detail to that, because people are still establishing themselves in these homes.

The Hon. DAMIEN TUDEHOPE: And there is another assessment. Is someone actually doing the assessment of how this scheme has been rolled out and whether we can do it better?

SCOTT JOHNSTON: That's not in my space. I don't know if Treasury has a view. At the end of the pilot, we stopped taking further applications.

The Hon. DAMIEN TUDEHOPE: How much have you actually rolled out as a part of that scheme? How many applications have been made?

SCOTT JOHNSTON: Some 1,114 applications have been assessed; 201 have been granted pre-approval and are searching for their home—they have up to the end of September to find that; 74 are in the final approval stage, having found a home, and are awaiting a settlement; and 839 have settled on their property and moved into their new home. That's from 31 July.

The Hon. DAMIEN TUDEHOPE: Is there any consideration of continuing this scheme in some form? I suppose Treasury will have to give you the money.

SCOTT JOHNSTON: For those 1,100, it continues—their circumstances—but the scheme was closed at the end of June this year for new applications.

The Hon. ROBERT BORSAK: Excuse me, Mr Tudehope. We're into the break. It's a resolution of the House that we have to stop. Obviously, we'll come back and you can finish off. We'll break now for 15 minutes and then come back to Opposition questions.

(Short adjournment)

The Hon. DAMIEN TUDEHOPE: A company known as Zenith was a CFMEU-related body that has gone into liquidation owing \$15.4 million in payroll tax. It's a labour hire firm. What steps will be taken, if any, to recover that \$15.4 million?

SCOTT JOHNSTON: Obviously, we have to have care around speaking on individual matters, but I'll take that on notice.

The Hon. DAMIEN TUDEHOPE: It's publicly reported.

SCOTT JOHNSTON: No, I appreciate that. I'll take that on notice.

The Hon. DAMIEN TUDEHOPE: You're not identifying the taxpayer. This is one that's—

SCOTT JOHNSTON: No, I appreciate that, but I'll take that on notice if I could, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Additionally, there was another identified—and this might breach the obligations that I used to rail against on so many occasions which, now that I'm on this side, I won't rail against nearly as much. Synergy Scaffolding Services also is a company which has gone into liquidation and was fined \$2 million for Christopher Cassaniti's death. How much payroll tax was owing by that company?

SCOTT JOHNSTON: Again, I suspect I can't answer that, but I'll take it on notice.

The Hon. DAMIEN TUDEHOPE: The GP payroll tax, of course, is a payroll tax issue which has arisen, and it doesn't necessarily just apply to GPs, does it?

SCOTT JOHNSTON: Could you explain? How's that?

The Hon. DAMIEN TUDEHOPE: The definition of who is a contractor is now being interpreted much more widely. For example, there are dental practices—you're ready for this question, I'm sure, Mr Smythe—and there are cleaning companies, all of which are now being exposed to potential payroll tax liabilities. How many cases are currently underway in relation to such businesses?

CULLEN SMYTHE: Mr Tudehope, first, I take issue with the premise of the question. I don't accept that any of the cases to which you're alluding have extended the reach of the contractor provisions.

The Hon. DAMIEN TUDEHOPE: No, sorry. I think the decisions are probably right. I just think the focus is now being much more placed on those businesses in circumstances where those businesses, in the same way as the GPs, were trading inadvertent to the fact that they potentially were liable to payroll tax. Would you accept that as a premise?

CULLEN SMYTHE: Is what you're saying that the recent spate of cases has increased the level of public comment or knowledge of the contractor provisions?

The Hon. DAMIEN TUDEHOPE: And, possibly, there are more audits being done which is, for the first time, giving rise to an understanding in some of these companies that they are liable to payroll tax.

CULLEN SMYTHE: I think the public comment has increased the general knowledge. I'm not sure I'd agree on the number of—

The Hon. DAMIEN TUDEHOPE: How many cases are currently ongoing in relation to the collection of payroll tax, for the first time, from companies where the commissioner has made a decision that the model is one where the people working in that business are employees and not independent contractors?

CULLEN SMYTHE: You're referring to court cases?

The Hon. DAMIEN TUDEHOPE: Yes.

CULLEN SMYTHE: I think we'd have to take that on notice.

The Hon. DAMIEN TUDEHOPE: For that matter, how many new assessments for payroll tax have arisen as a result of an audit which has given rise to an assessment of payroll tax for the first time in circumstances where their employees are deemed to be employees and not independent contractors.

CULLEN SMYTHE: Again, we'd need to take it on notice. Actually, answering that question might be difficult, but we'll see what we can pull together.

SCOTT JOHNSTON: But I would say, if I could, Mr Tudehope, we haven't had a greater focus in our auditing program based on any of these other matters related to the contractor provision, so we've continued on.

The Hon. DAMIEN TUDEHOPE: Have you increased the size of your audit team?

SCOTT JOHNSTON: The audit team has remained relatively stable in size. We have had some further allocation through the budget process to do further compliance.

The Hon. DAMIEN TUDEHOPE: Of additional money?

SCOTT JOHNSTON: But it's for us to build our capability more broadly, and not just in payroll tax but on the other tax streams that we administer. But, again, we haven't had a targeted approach on payroll tax compliance. We're very effective at our auditing, largely through good quality information and data that we have that identifies where we've got more focus as opposed to needing more people.

The Hon. DAMIEN TUDEHOPE: Can you tell us how much in relation to legal fees you've spent in respect of payroll tax or recovery of payroll tax liabilities in the 2023-24 period?

SCOTT JOHNSTON: I'll take that on notice.

The Hon. DAMIEN TUDEHOPE: Can you tell us also—I think I've already asked you this, potentially—how many new businesses have found themselves liable?

SCOTT JOHNSTON: We'll see what we can do—specifically related to contractors.

The Hon. DAMIEN TUDEHOPE: Specifically, yes.

SCOTT JOHNSTON: That might be where it's complicated for us to work through that, I apologise.

The Hon. DAMIEN TUDEHOPE: Do you accept from me that there are mortgage brokers, for example, who may fit a model where they are trying to portray themselves as analogous to the doctors? Is that a fair analogy?

SCOTT JOHNSTON: I've heard that commentary, yes.

The Hon. DAMIEN TUDEHOPE: Is it correct?

SCOTT JOHNSTON: Is it? As you know, Mr Tudehope, payroll tax is not the first time we looked at industry-specific approaches with GPs. I think the issue—and I think this was to Mr Smythe's point—is that the public commentary and awareness around the contractor provisions is elevated: mortgage aggregators and mortgage brokers, absolutely.

The Hon. DAMIEN TUDEHOPE: Dental practices?

SCOTT JOHNSTON: There's a whole range of sectors that have an interest in this, but we've applied the law consistently for 40 years. This is where the arrangements, whilst people might be presenting a view that the law is either treating them differently or not, are not correct.

CULLEN SMYTHE: If I may, I think there's been a bit of—I think part of the perception around payroll tax has been a little bit complicated by the focus on the individual trees rather than the forest. If you go back, payroll tax was first introduced in 1941. Jack Lang really pushed for the introduction of this as the funding for child endowment. The Feds, unsuccessful for quite a while in New South Wales, at the Commonwealth level they brought it in in '41, all tied up with the funding for World War II, income tax—as you know, the uniform tax case.

The Hon. DAMIEN TUDEHOPE: I'm very aware of the history of this.

CULLEN SMYTHE: I have no doubt, but I think it's worth just going through it very quickly. Because, while the body of revenue-raising that sat at the Commonwealth level was quite broad, the funding for the States started to suffer. It was in '71 the payroll tax came back to the States. Of course, the world had moved on. Corporate structures had moved on. The ways of doing business had moved on. Over time, the core principle of payroll tax being a tax on wages to fund specific government expenditure, that didn't change. But in '85, specific provisions were brought in to deal with things like employment agents. Then in '86, the contractor provisions were put into place. From '86, while there have been tweaks to the legislation, the key elements have remained unchanged. When commentary starts hitting the newspapers about someone suddenly being hit with a brand-new tax or a brand-new interpretation of tax—

The Hon. DAMIEN TUDEHOPE: That's wrong.

CULLEN SMYTHE: Yes. It's not correct. But I think you need to take that holistic view.

The Hon. DAMIEN TUDEHOPE: The GP tax tweak that is now being made is exactly that: It's a tweak. It doesn't necessarily relieve GP practices from paying payroll tax, but there is a tweak to it, which gives them an exemption if they fall within particular parameters.

CULLEN SMYTHE: For the contracted GPs, yes.

The Hon. DAMIEN TUDEHOPE: Can I ask you about phoenixing? This is a hoary old chestnut. Have you got any current provisions or measures in place relating to phoenixing, helping to recover payroll tax?

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: Are they publicly available?

CULLEN SMYTHE: There's provisions in the payroll tax legislation.

The Hon. DAMIEN TUDEHOPE: Which allows you to pursue directors?

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: For outstanding payroll tax.

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: How many cases have these laws been applied in since the new legislation has been introduced?

CULLEN SMYTHE: We'll take that on notice.

The Hon. DAMIEN TUDEHOPE: And, I suppose, the amount recovered as a result of those provisions. This might be again for you, Ms Campbell. There is an election commitment to reduce expenditure on consultants by \$35 million per year. What was the figure for expenditure on consultants in 2022-23 that you're using, potentially, as a base to measure progress on fulfilling this commitment?

LIZ LIVINGSTONE: Mr Tudehope, it actually sits in my area, monitoring that commitment.

The Hon. DAMIEN TUDEHOPE: Good, okay.

LIZ LIVINGSTONE: I appreciate that it's confusing. I'd have to take on notice, the figure in 2022-23.

The Hon. DAMIEN TUDEHOPE: That's okay.

LIZ LIVINGSTONE: What I can say is that the savings were from agency budgets. It's only since they've been achieved. We are monitoring them closely and are confident that over the sector that that reduction has been achieved in 2023-24.

The Hon. DAMIEN TUDEHOPE: You might be responsible for all these in that case, because in the *Workforce Profile Report 2023* the number of full-time equivalent senior executives in the government sector as at June 2022-23 was 4,265. Are you able to confirm that this is the number you are using as a base measure for implementing the election commitment to cut the number of senior executives by 15 per cent?

LIZ LIVINGSTONE: That election commitment is one for the Premier and the Premier's Department, so they would be able to provide information on that. Similarly, in terms of the financial impact, certainly we've had a similar approach in taking expenditure out of the budget already to account for those reductions.

The Hon. DAMIEN TUDEHOPE: Mr Johnston, you'd be aware of the direction in relation to working from home. How are you implementing that?

SCOTT JOHNSTON: We're part of the Department of Customer Service, so we're working with the secretary, Graeme Head, and the other parts of DCS on how we practically do that. A key part of that is through consultation with staff around how we best manage it. I would suggest that question should be referred to him. He appears, I think, on Monday at estimates to speak for the department's approach.

The Hon. DAMIEN TUDEHOPE: But you're responsible for your employee workforce. How many of the people who work in Revenue are currently working from home?

SCOTT JOHNSTON: The majority of people would work flexibly and would work from home for periods of time but also in the office.

The Hon. DAMIEN TUDEHOPE: How many currently comply with the guideline that they have to be in the office no less than three days per week?

SCOTT JOHNSTON: Again, I'd have to refer that to the department to give the data on those questions.

The Hon. DAMIEN TUDEHOPE: You have a workforce which does lend itself to being able to have a fairly flexible workplace arrangement. You can monitor their productivity, can you not?

SCOTT JOHNSTON: For many. Many of our staff do processes that are repeated. We can see how productive and effective our workforce is in general, yes. Without trying to seem like I'm avoiding the question, I think it is a departmental one to answer. The circular was released a couple of weeks ago. These things—including property, our presence—need to be worked through how we best apply it.

The Hon. DAMIEN TUDEHOPE: I'll come to that. If everyone returned to work in accordance with the direction, do you have the space to be able to allow them to hot-desk?

SCOTT JOHNSTON: This is where we're working through and consulting with our staff about how we best do that. I think the circular spoke to principally in the office, and it also put the focus or the responsibility to the secretaries in the departments to work through it. We're part of a department that has 12,000 people, I think, across DCS, which has locations all over the State. We have to think about our property footprint differently to maximise the use of it and optimise the workspaces that we have. It's not without challenge from a cultural and from a logistical perspective, but the circular was clear around what our obligations are, so we're committed to working to it.

The Hon. DAMIEN TUDEHOPE: Is there a date by which this will be the subject of some guidance from you or from Customer Service in relation to how this is being implemented and what the expectations are?

SCOTT JOHNSTON: I would again refer that to the Secretary of the Department of Customer Service to state that. He and I have communicated to staff—he across the department, myself across Revenue NSW—about what this means pragmatically, but also about a process of consultation with staff to ensure that we understand the impacts and how we best support people through it. As a date, no, I couldn't answer that.

The Hon. DAMIEN TUDEHOPE: Could I go back to you, Ms Livingstone? There is also a commitment to reduce expenditure on agency hire contractors by 25 per cent. What figure for expenditure on agency hire contractors in 2022-23 are you using as the base to measure progress in fulfilling this commitment?

LIZ LIVINGSTONE: I don't have the 2022-23 figure here. What I can tell you that our monitoring is telling us is that labour hire has been reduced over the period 2023-24. We're confident, over the four-year period of the commitment, that it will be achieved.

The Hon. DAMIEN TUDEHOPE: And legal contractors? There was a commitment to reduce expenditure on external legal contracts by \$20 million a year. Is there a baseline figure that you're using to measure that?

LIZ LIVINGSTONE: I can tell you an aggregate figure in terms of travel, advertising, legal and consultants. We needed to save \$517 million over four years and that amount has been taken out of agency budgets; \$127 million of that was in 2023-24. Our tracking is showing that not only have we taken that money out of budgets but that agencies are generally spending less in most categories.

The Hon. DAMIEN TUDEHOPE: The other commitment was in relation to travel. There was an election commitment to reduce expenditure on government sector travel by \$40 million per year. Again, what was the baseline figure you were using?

LIZ LIVINGSTONE: Similar answer. That last answer I gave aggregated travel, advertising, labour and consultants, but I can take on notice the detail.

The Hon. DAMIEN TUDEHOPE: You've had enough time now to think about the impact, Mr Smythe, of Vanderstock. I'm sure you've probably done a treatise in relation to that decision. Have you formed a view about whether there are any other taxes imposed by the State of New South Wales which could find themselves in breach of the decision of Vanderstock or could fall foul of that decision?

CULLEN SMYTHE: Thank you, Mr Tudehope. I think that's probably a question that goes beyond the remit of the Commissioner of State Revenue, who merely administers the legislation according to the Taxation Administration Act under the direction of the chief commissioner.

The Hon. DAMIEN TUDEHOPE: But I'm sure you've turned your mind to it, haven't you?

CULLEN SMYTHE: I'll take that on notice.

The Hon. ROBERT BORSAK: On that note, we will call it an afternoon. I note that a number of questions were taken on notice. The secretariat will be in contact with you regarding returns.

GEORGINA BEATTIE: Chair, may I quickly answer a question I took on notice earlier? Mr Rath, you asked about the expert panels and whether they're on a contract. I can confirm that they are not on a contract, but they are engaged for three years under the boards and committees framework and their current term expires in November 2025.

(The witnesses withdrew.)

The Committee proceeded to deliberate.