

# Minister Houssos Budget Estimates

March 2025

## Questions on Notice

(1) Ms ABIGAIL BOYD: Can we start off with merchant fees? As you know, we passed an SO 52 in the House in relation to the issue around the unlawful charging of merchant fees. I spent way too many hours going through those documents and learning all sorts of interesting things about payment systems within government. I raised this yesterday in estimates and was told that there had been a process where each department was taking legal advice as to whether or not they had the authority to charge the surcharge. My understanding from reading through those documents is that there wouldn't be very many of them that did have that authority. Are you able to give us an update on how many of them have had the authority and how many have been charging unlawfully?

The Hon. COURTNEY HOUSSOS: Yes, certainly. Ms Boyd, this is a really great question, and that was certainly a very detailed SO 52 that you submitted to the Parliament. I know a lot of work went on from the Government in order to collate that information. I'm seeing that from a slightly different perspective now. It's a really important issue because there was advice that was provided to the previous Government that was unlawful. The basis for that is because there's—actually, I'm not going to delve into the legal aspects of it. The advice we received was that you require a specific statutory authority if you're going to charge merchant fees. What was required was individual agencies to seek legal advice about whether they had that ability.

The thing that prompted this was that advice was provided to Service NSW many years ago under the previous Government. That was never actioned, and they continued to charge those merchant fees. The first step was to stop the collection, and that was certainly something that Treasury was leading. I know that was the first step of action. My advice was that that has ended. There were some finer details for some very small agencies, though.

MICHAEL COUTTS-TROTTER: Ms Boyd, to your question about the agencies that had a lawful authority, they included transport on the E-Toll, Taronga Zoo venues, Centennial Park and Moore Park Trust, Parramatta Park Trust, the Royal Botanic Garden and Western Sydney Parklands Trust. Thirty-six agencies have stopped charging fees.

Ms ABIGAIL BOYD: Because they didn't have authority?

MICHAEL COUTTS-TROTTER: They had clear legal advice that they didn't have lawful authority to do so.

Ms ABIGAIL BOYD: That legal advice—I understand that if it was then being actually charged out through Service NSW on behalf of an agency, Service NSW had to have the authority as well.

MICHAEL COUTTS-TROTTER: Yes, and didn't.

Ms ABIGAIL BOYD: So, even for those ones where the agencies did have authority, were they then going through Service NSW? Or were they—

MICHAEL COUTTS-TROTTER: The second level of detail, I'd need to check that for you. But I think these are agencies that deal directly with customers themselves.

The agencies listed above, which were noted as having lawful authority to charge fees, process transactions directly with customers and do not do so through Service NSW.

(2) The Hon. DAMIEN TUDEHOPE: Were you aware, then, perhaps that a 50 per cent shareholding in Foton was owned by GoZero Group Ltd?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, again we come back to the questions. You're asking me a specific set of questions around a specific set of allegations. Is your expectation that I literally sit down and conduct my own corporate searches before we issue a media release?

The Hon. DAMIEN TUDEHOPE: But you can say no, Minister.

The Hon. COURTNEY HOUSSOS: My job as the government procurement Minister—

The Hon. DAMIEN TUDEHOPE: You can say no.

The Hon. COURTNEY HOUSSOS: —is to work with the Procurement Board to set a policy framework and then to rely on a range of checks that are in place. I said I'm happy to take on board proposals, but if your proposal is that I should spend my time conducting company searches, then I don't think that's a particularly helpful use of my time.

The Hon. DAMIEN TUDEHOPE: When did you become aware that the majority shareholder of GoZero was a known tax defaulter and phoenixer, Kyriakos Tsihlis?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, these are not new allegations. You've raised them in the Parliament. The transport department is investigating them.

The Hon. DAMIEN TUDEHOPE: Sorry?

The Hon. COURTNEY HOUSSOS: You've raised them in the Parliament and the transport—

The Hon. DAMIEN TUDEHOPE: I have. When did you first become aware?

The Hon. COURTNEY HOUSSOS: In relation to the individual allegations about that particular individual?

The Hon. DAMIEN TUDEHOPE: Correct.

The Hon. COURTNEY HOUSSOS: Actually, I'm not sure whether it was when you raised them in the Parliament or whether we'd received a briefing beforehand. I just can't recall that. I'm sorry.

The Hon. DAMIEN TUDEHOPE: Had you received a briefing before I raised them in Parliament?

The Hon. COURTNEY HOUSSOS: I just can't recall that. I remember that—

The Hon. DAMIEN TUDEHOPE: Can you take that on notice?

The Hon. COURTNEY HOUSSOS: Sure.

I routinely receive briefings on various matters relating to my portfolios. Allegations in relation to potential breaches of supplier code of conduct are managed by agencies responsible for relevant contracts. The matters raised by members of the Committee have been referred to the Secretary of Transport for NSW.

(3) Ms ABIGAIL BOYD: We've had an interesting point come up in the IR estimates in relation to—I keep forgetting the name of the particular aircraft that crashed, but there was a crash about five years ago. I understand it was a water tanker that had been brought in from the US, or there were US pilots. It was a very tragic crash. I understand that the widows of the pilots have been trying to get some sort of compensation under our scheme—death benefit et cetera—but there is a question mark as to whether the contractor who was in charge of the aircraft actually had any sort of insurance cover. When we have this new procurement framework, will those sorts of things be checked? Is it your understanding that we'll be ensuring that sort of thing?

The Hon. COURTNEY HOUSSOS: Look, that's a very specific example. I don't have details on that specific example, but I'd be happy to come back to you with them if we can source that.

MICHAEL COUTTS-TROTTER: A basic check is whether a counterparty has appropriate insurances, which of course includes workers compensation insurance. I'm happy to take the particulars and refer them to the relevant agency, if that's a concern—that that check wasn't done or for some reason didn't reveal, if it is the case, that the operator wasn't carrying workers compensation insurance, because that would be a serious deficiency, obviously.

I am advised that all aircraft contracted to the Rural Fire Service are required to have a minimum level of public liability insurance. In relation to this specific case, I am advised that as the litigation is ongoing, we cannot provide any further details on liability.

(4) The Hon. SARAH MITCHELL: Good morning, Minister. I just want to pick up, actually, on a line of questioning started by Ms Abigail Boyd in relation to your diary disclosures. We've seen that on 6 October last year you met with Mandala Partners and the Australian biodiversity climate foundation. What was the purpose of that meeting?

The Hon. COURTNEY HOUSSOS: So 6 October—I have got them here. I thought it was probably helpful for me to pull that up. I broadly recall the meeting; I just can't find 6 October.

The Hon. SARAH MITCHELL: That's fine. Can you tell me if you broadly recall what was the purpose of the meeting?

The Hon. COURTNEY HOUSSOS: That was in relation to my responsibilities as the shareholding Minister for Forestry Corp.

The Hon. SARAH MITCHELL: Okay. Obviously you'd be aware that Mandala are doing work on the Great Koala National Park with the ACBF, who are not fans of the forestry industry; I think that's a fair assessment to make. Did you talk about the Great Koala National Park at that meeting?

The Hon. COURTNEY HOUSSOS: I recall reading some media coverage about some controversy, and I think maybe I received some correspondence in relation to Mandala Partners and the work that they were doing.

The Hon. SARAH MITCHELL: Sure, but my question was did you talk about the Great Koala National Park at that meeting that you had?

The Hon. COURTNEY HOUSSOS: I don't recall whether we specifically spoke about the Great Koala National Park at that meeting, but I'm happy to take that on notice.

The Hon. SARAH MITCHELL: That would be great. You just mentioned that you talked about your role as the shareholder Minister. Was the future of the New South Wales forestry industry a topic of discussion at that meeting?

The Hon. COURTNEY HOUSSOS: Again, I'd have to come back to you on notice in relation—I don't have—

The Hon. SARAH MITCHELL: That's okay. It's just that you said it was because of your forestry role, and I'm assuming—well, what did you talk about if it wasn't related to the national park or the forestry industry?

The Hon. COURTNEY HOUSSOS: Sorry, you've given me a date that I'm not sure is correct. I can't find the—

The Hon. SARAH MITCHELL: But you recall the meeting, Minister. You just said you remember the meeting. We're just trying to work out what did you actually discuss with those stakeholders at that meeting. It's not a trick question.

This meeting related to my role as a Shareholding Minister of NSW state-owned corporations (including the Forestry Corporation of NSW), and covered a number of topics.

(5) The Hon. SARAH MITCHELL: So the meeting you had with them—and if you're saying the 6 October date is incorrect, fine, but that's actually not the point. The point is you've met with them. I would like to know what was the topic of discussion at that meeting. Was it the Great Koala National Park? Was it the future of the forestry industry? What was the purpose of that meeting?

The Hon. COURTNEY HOUSSOS: Again, because I'm not sure you provided me with the accurate—

The Hon. SARAH MITCHELL: Okay, 6 November, sorry. I had the wrong date. It's 6 November.

The Hon. COURTNEY HOUSSOS: Okay. All right. Then let me—

The Hon. SARAH MITCHELL: It doesn't change the meeting.

The Hon. COURTNEY HOUSSOS: No, but—

The Hon. SARAH MITCHELL: You just said to Ms Boyd that you're happy to be transparent about what's in your diary. I'm asking you about a meeting.

The Hon. Dr SARAH KAINE: Let her answer the question.

The Hon. SARAH MITCHELL: What did you talk about at the meeting? That's the question.

The Hon. COURTNEY HOUSSOS: Yes, I met with them and, yes, that's true. Your original question that asked me about October is incorrect; it was in November. It was in relation to my responsibilities as a shareholding Minister in Forestry Corp. You would be aware that I'm not the portfolio Minister for Forestry Corp. The responsibilities that I have in relation to shareholding Minister are slightly different from the portfolio Minister. In relation to the specifics of that meeting, I might take it on notice and come back to you. You have asked me very specific questions.

This meeting related to my role as a Shareholding Minister of NSW state-owned corporations (including the Forestry Corporation of NSW), and covered a number of topics.

(6) The Hon. SARAH MITCHELL: I asked you about this last time and also put it into a supplementary question but, with respect, I didn't get much of an answer. Is it true that in August 2023 the collective chairs of the expert panels from the four regions provided a recommendation that the Government consider opening an initial round of funding for applications? Is that true?

The Hon. COURTNEY HOUSSOS: If you have asked me a supplementary question, then I probably provided an answer. I know that the expert panels did provide some advice. In terms of when they provided it, I might take that one on notice, if that's okay.

The Hon. SARAH MITCHELL: That would be great if you could take on notice what date either you or the department received the correspondence and whether or not you gave a formal reply back.

The NSW Government is committed to prudent management of the fund and ensuring that any expenditure presents value for money, and is undertaken at the appropriate time to maximise return for coal-reliant communities.

(7) The Hon. SARAH MITCHELL: Thank you. Last time, Minister, in a supplementary question you said that the fund doesn't accrue interest, but it does receive an investment return. How much is that investment return?

The Hon. COURTNEY HOUSSOS: That's a great question. I understand that it's a special deposit account that's held by NSW Treasury, so perhaps I should pass over to the Treasury Secretary.

MICHAEL COUTTS-TROTTER: I don't have the answer to hand but I'm more than happy to get a response for you on notice.

As at 1 March 2025, the total investment return since the fund was established is \$19.0 million.

(8) The Hon. SARAH MITCHELL: Turning now to issues out in Broken Hill, have you been able to ascertain the economic impact for mining companies during the power outage out there last year? Have you had any information in relation to that?

The Hon. COURTNEY HOUSSOS: The question in relation to the power outage at Broken Hill—this is a really serious issue, and you would be aware that the entire Cabinet travelled to Broken Hill. I met directly with a number of the mining companies who operate in Broken Hill to hear about the consequences for them and for the workers and for the businesses. I'd say that the mines themselves played a really important role in those days immediately after the power outage. There were

some issues in relation to the power supply that the energy Minister is probably better placed to provide you with the technical details of. But the mine really pitched in to help, in what was a really difficult situation, to alleviate some issues in relation to the energy network out there at the time. You asked me a specific question about the economic modelling.

The Hon. SARAH MITCHELL: Yes, what the economic impact was in terms of what it cost the government in royalties and what was the impact of that shutdown, particularly in relation to the mining industry. I'm just wondering if you've had any briefings or any information about what that impact was in dollar terms to the government.

The Hon. COURTNEY HOUSSOS: In terms of the impact on our budget, I'd be happy to pass the specific amount—

The Hon. SARAH MITCHELL: Yes, I'm just curious.

The Hon. COURTNEY HOUSSOS: I would say the conversations that I had—and if we're going to talk about the impact of this outage, let's look at what the source of the problem was, which was—

The Hon. SARAH MITCHELL: Minister, it's a very specific question.

The Hon. COURTNEY HOUSSOS: —the privatised electricity network that we inherited.

The Hon. SARAH MITCHELL: Minister, it's a very specific question.

The Hon. COURTNEY HOUSSOS: If you want to talk about economic modelling—

The Hon. SARAH MITCHELL: This is not a joke to people who live in that community.

The Hon. COURTNEY HOUSSOS: We were out there and heard the anger firsthand.

The Hon. SARAH MITCHELL: I would like to know—

The CHAIR: Order!

The Hon. SARAH MITCHELL: Chair, I'm trying to get a specific figure that the Minister said Ms Beattie may have.

The CHAIR: Order! You may well be, Ms Mitchell, but the Minister is answering your question. She is being generally relevant, so please desist from talking over the top of her.

The Hon. COURTNEY HOUSSOS: I'd say it is a really serious issue. That's why the entire Cabinet went out there and got briefed by the local member, Roy Butler. I met

with workers who had been affected by the power outage. I met with the mining companies. The entire Cabinet had meetings and heard about the impact. I'd say that the financial impact on those companies from immediately shutting off the power to enormous operations was very significant. In relation to the specific impact on royalties, I'm happy to take that on notice and we can come back to you. I'm not sure whether we would have that kind of specific—

The Hon. SARAH MITCHELL: If you can take on notice whatever you can provide, that would be fine.

I am advised that:

7 mines and 1 quarry were not operating from 17 to 31 October 2024. Non-coal mineral royalties are calculated either quarterly or annually and quarries are calculated on cents per tonne collected. A small number of workers remained on site for essential services, and the remainder of workers were stood down without pay or asked to take leave.

The NSW Government delivered financial support, including direct payments, to individuals and small-medium sized businesses in the areas of Broken Hill, Central Darling Shire and Far West Unincorporated Area. Further to this, multiple government agencies deployed emergency protocols including NSW Police, NSW Health, RFS, SES, NSW Telco Authority and the Department of Education.

(9) The CHAIR: I've got some questions about revenue for New South Wales. There has been a surprising decline in the revenue that we were forecast to receive from the point of consumption tax on online wagering. I think the forecast in the budget was \$320 million per year. The half-yearly review said that was \$280 million per year. That's in a context of online wagering becoming more popular. More people are gambling that way and spending more money, yet it looks like, effectively, that revenue has tapered off and is declining. I asked some questions of the Treasurer yesterday. Under the Betting Tax Act 2001, is New South Wales in any multi-jurisdictional agreements with other States for the collection of point of consumption tax?

The Hon. COURTNEY HOUSSOS: That is a great question, Mr Buckingham. I did see your questions to the Treasury yesterday about the revenue projections in relation to the point of consumption tax. I found them interesting, and we're going to make some more inquiries in relation to that. In terms of whether we are in any specific multi-jurisdictional agreements—

The CHAIR: Are we signatories to any multi-jurisdictional—that is, agreements with other States and Territories for the collection—

The Hon. COURTNEY HOUSSOS: It's a great question.



The CHAIR: It's set out in the Act, which, constitutionally, is a pretty interesting issue. I didn't know we were collecting taxes from other States, but apparently we can. Are we?

MICHAEL COUTTS-TROTTER: That's a very good question. I might pass to the chief commissioner.

SCOTT JOHNSTON: I will pass it to Liquor and Gaming, who I think it's a question for.

MICHAEL COUTTS-TROTTER: Yes.

SCOTT JOHNSTON: The role of Revenue NSW is to administer the tax, issue assessments and reassessments, and collect the tax. Liquor and Gaming manage the compliance and the relationships about it.

The CHAIR: Yes, but are you collecting point of consumption tax from any other State or Territory?

SCOTT JOHNSTON: I believe not, but I'll take it on notice to confirm. Specifically through Revenue NSW, I'm not sure. I'll take it on notice to come back to you.

Revenue NSW does not collect Point of Consumption Tax on behalf of any other State or Territory. The betting service provider is responsible for paying the Point of Consumption Tax to the State or Territory where the person placing the bet is located.

(10) Ms CATE FAEHRMANN: Good morning, Minister. Back to the critical minerals list—firstly, I'm curious as to why the submissions to the review of the new strategy aren't public.

The Hon. COURTNEY HOUSSOS: That's a good question. I might take that one on notice, if that's okay. I can't recall whether we took a specific decision about that. We did do a lot of work on the critical minerals strategy, and I held a round table here at Parliament House. I met with a range of different organisations. I know the department did a lot of work. I would have to take that one on notice.

The Deputy Secretary of NSW Resources provided an answer to this question in response to Ms Faehrmann's question during the hearing (on page 27 of the transcript).

(11) Ms CATE FAEHRMANN: The Federal Critical Minerals Strategy process was very transparent. I had a look at it the other day and there are 82 public submissions—very extensive submissions—and a summary of those submissions to be able to justify where the Government landed. Minister, do you think, in the future, for things like this—this is a critical minerals strategy, but I'll ask you soon about the statement on coal, for example— and for other policies that submissions should be publicly available? Is that a principle that your Government stands by? Transparency?

The Hon. COURTNEY HOUSSOS: That was a long question with a couple of different parts to it. Let me say this: Yes, we are committed to transparency. Yes, we do want to engage with it. When we're talking about the critical minerals strategy, you and I received a briefing from the department about the way that the previous Government had done their critical minerals strategy, which was with no public consultation and no community engagement. I took that on board and we took that on board. So we opened for submissions. We certainly held round tables and took other forms of informal feedback. I would say this: We have to balance the confidentiality or the ability to receive confidential information and for that to inform our strategy and then the need to publicly disclose it, but it sounds like there was an administrative issue in this particular case.

Ms CATE FAEHRMANN: How many submissions were received?

The Hon. COURTNEY HOUSSOS: I don't know if I have that. It was a process that was managed through the department. I don't have that information here. We can try and come back to you with an answer, if you like.

Ms CATE FAEHRMANN: Yes, thank you. That would be useful. How does the New South Wales Government define a critical mineral?

GEORGINA BEATTIE: It's 36 submissions that were received.

The Deputy Secretary of NSW Resources stated that 36 submissions were received.

Critical minerals are vital to clean energy technologies, including solar panels, wind turbines, electric vehicles and batteries. Critical minerals are also used to manufacture advanced technologies such as mobile phones, computers, semiconductors and essential components for defence and medical applications.

(12) The CHAIR: Ms Faehrmann, just before you continue, I will ask a couple of questions. Has Revenue NSW ever received any revenue because a licensed betting service provider has not taken reasonable steps to capture the physical location of a person making a bet under the point of consumption tax?

SCOTT JOHNSTON: I would have to take that on notice, Mr Buckingham, to come back with clarity. Potentially we will need to talk to Liquor and Gaming about the information of the data that they provide.

The CHAIR: Because it seems a very strange circumstance that you establish your location with a betting service provider by just telling them where your residential address is. It says, "All bets placed online or by phone are captured based on the physical location of the customer when placing a bet." That is, if a person from Queensland travels here and bets on the races, they should be paying the point of consumption tax here. But the only way of establishing where that person lives is by their residential address. So people travelling interstate to Sydney, as they do, and, say, gambling here online should be paying tax here.

MICHAEL COUTTS-TROTTER: No, I think they pay tax in their resident jurisdiction. If their principal place of residence is in Queensland, regardless of where the bet is placed, the tax is due in the State in which they hold that principal place of residence. That's my understanding, Mr Buckingham.

The CHAIR: I'm reading from the Revenue NSW site, which says, "All bets placed online or by phone are captured based on the physical location of the customer when placing a bet."

MICHAEL COUTTS-TROTTER: Inquiries were made last night in response to questions yesterday. That refers to—when you first take out an account with an online betting agency, you have to tell them where your principal place of residence is. That's the information they record, not where you subsequently travel and bet. It's about where you live. I'm happy to triple-check that for you, but that's my understanding.

SCOTT JOHNSTON: I believe that's right, but we'll confirm.

The CHAIR: If you can get back to me on whether or not there has ever been any interest or penalty tax paid by any of these operators, that would be interesting.

SCOTT JOHNSTON: Yes.

This question is best directed to Liquor and Gaming as they conduct compliance on the point of consumption tax rather than Revenue NSW. Yes, there have been instances of betting service providers paying interest and penalty tax.

(13) The Hon. DAMIEN TUDEHOPE: When I asked you prior to the break about who advised you that Mr Tshilis is no longer associated with GoZero, have you had an opportunity of refreshing your memory as to who may have provided you with that advice?

The Hon. COURTNEY HOUSSOS: I'm happy to take that on notice, Mr Tudehope. I said that was my recollection at the time. I'm happy to be corrected if that is incorrect. As I said to you, you raised some serious allegations about that individual in the Parliament, and so obviously after that I went away and asked a series of questions. I've read a great deal of material after that, and that was my broad recollection. But I think you've raised really specific questions about a contract that's not administered by my department. It's administered by the department of Transport. They're serious allegations. I think it's appropriate I take that on notice and come back to you with a proper answer.

On 20 February 2025, the Minister for Transport informed the Legislative Council that Mr Tshilis did not appear as a director of Foton Mobility Distribution Pty Ltd in ASIC records or as a director of its partner GoZero in December 2024 when the order for 126 Foton buses was placed.

(14) The Hon. DAMIEN TUDEHOPE: When you made that assertion—and take it from me that you did—did you have any reason to be confident that it would remain an Australian-owned company for the duration of its current contract with the New South Wales Government and for the duration of bus panel 4, for which it is an approved supplier?

The Hon. COURTNEY HOUSSOS: That is a long question. You asked about whether it will be an Australian-owned company and whether I have confidence in that. I would have to take that part of the question on notice to see whether we assess that as part of the procurement process. In relation to whether a company is Australian owned or whether it's not, you might be aware that the Federal Government has just made an announcement either today or perhaps they made it yesterday—the Federal Minister for industry, Ed Husic, made the announcement after lots of work at a Federal level about what an Australian company is.

This is really interesting and important work that's going to inform our local content policies and the work that we're doing in this space. We're certainly engaging with our Federal colleagues about it. It's something that has been raised with me by industry, and it's a real challenge for us as we try to spend more of our procurement dollars here in New South Wales and the questions of ownership. I'll take that part of the question on notice in relation to what are the specific checks that we've put in the procurement process—unless someone's happy to answer it now. But I would also flag that as an area for future reform after the Federal Government's announcement today.

NSW is open for business. The NSW Government welcomes foreign investment in NSW to create and support jobs across local communities.

The Minns Labor Government is introducing a series of new measures to support NSW jobs and businesses and encourage the development of local industries, removing barriers to local growth.

(15) The Hon. DAMIEN TUDEHOPE: Are you aware that the majority of the \$400 million takeover is financed by two foreign companies, the Carlyle Group and Tor Investment Management?

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope, I told you that I've read the press release. I am broadly aware that GoZero has gone through some changes in relation to its management structure. If you have specific allegations about contracts that they have with the New South Wales Government, I'm happy to take them on notice.

The Hon. DAMIEN TUDEHOPE: I've raised a lot of them today, Minister.

The Hon. COURTNEY HOUSSOS: And I've taken them on notice, as you've raised them previously, and we are going to investigate the serious allegations that you've raised.

The Hon. DAMIEN TUDEHOPE: It's your procurement policy, Minister.

The Hon. COURTNEY HOUSSOS: There's a broad number of public servants who are here, ready to answer your questions, but none of them, nor me, can answer specific questions about a specific contract that is managed within a different department.

Please refer to Questions on Notice 2, 13 and 14.

(16) The Hon. DAMIEN TUDEHOPE: Minister, are there any provisions in the New South Wales Procurement Policy Framework addressing defence and security matters?

The Hon. COURTNEY HOUSSOS: That's an excellent question. I know there's a range of due diligence requirements. I'm getting a nod from the deputy secretary. I might take the specific requirements on notice.

The Procurement Policy Framework comprises of government procurement policy including legislative requirements, Board directions, circulars and guidance notes.

Of note, defence and security matters are addressed in Schedule 3 of PBD 2019-05, including exemptions relating to:

- a) Australian national security or for Australian national defence purposes, or
- b) the protection of essential security interests relating to government procurement.

(17) The CHAIR: Just before I go to Ms Faehrmann, some more on the POCT. I would just like to inform the Committee that, after 10 years of holding a Bet365 account, just this very morning at 11.15 a.m. I received an email requiring me to confirm my residential address.

The Hon. SARAH MITCHELL: Someone is watching.

The CHAIR: Good afternoon, Bet365. Hello.

The Hon. Dr SARAH KAINE: Welcome! We thought no-one was watching.

The CHAIR: I'm glad you're paying attention, because we are in the Legislative Council. In that regard—

The Hon. STEPHEN LAWRENCE: Just because you're paranoid, it doesn't mean they're not after you.

The CHAIR: Exactly—and they've also asked, strangely enough, to use my location services, which is something that they should probably be doing with everyone.

The Hon. GREG DONNELLY: They know where you are, Jeremy.

The CHAIR: Yes, and I've allowed. They can know where I am because I know where they are. Just on that issue, there's not a lot of clarity. I'm going to the "Calculate" website, and I don't want to quibble with the secretary or the chief commissioner, but it does say this: "You must take reasonable steps to identify the physical location of the person making a bet. You can rely on"—the betting service provider—"the residential address". But then it goes on to say:

*You must use an alternative address if you know or suspect the residential or business address isn't the physical location of the person making the bet. For example, where a customer discloses to the phone operator that they are currently in NSW and their residential address is in another state.*

That seems to be the opposite of what you were saying.

MICHAEL COUTTS-TROTTER: It does, and I will seek further particulars. It's confusing.

The CHAIR: The outcome of that is potentially this State is missing out on hundreds of millions of dollars of revenue that goes to support the racing industry, the greyhound industry—whether you support them or not—GWIC and these other entities. I was, up until yesterday, able to change my residential address to the Northern Territory, where a betting company only pays a 5 per cent POCT.

The Hon. DAMIEN TUDEHOPE: Are you admitting to a fraud here?

The CHAIR: I was testing it out.

The Hon. SARAH MITCHELL: It was research.

The CHAIR: Well, I was doing some research. I've rapidly changed it back once Bet365 sent me the memo. But the point there is that there seems to be a loophole and a disincentive for these online gaming agencies to be acting to ensure the location of these wagerers.

MICHAEL COUTTS-TROTTER: No, thank you. I appreciate you raising the issue. We'll pursue it.

The Point of Consumption Tax applies to bets that are made by a person located in New South Wales when the bet is made.

The *Betting Tax Act 2001* specifies that a betting operator must take reasonable steps to identify the location of the person making the bet, and also that a betting operator may rely on an address given to the betting operator as their residential address (or for a corporation, a corporation's principal place of business) for identifying the location of the person making the bet.

Liquor and Gaming NSW is responsible for compliance with the Point of Consumption Tax. Questions regarding auditing, enforcement and reporting are more appropriately directed to the Minister for Gaming and Racing.

(18) Ms CATE FAEHRMANN: That's what you told The Australian Financial Review, who asked questions about this as well back in December—that there was an investigation underway and it would be inappropriate to comment. Since then Mr Govinda has given up any interest in the land that was the subject of the exploration licence that these two gentlemen—in fact, they just did a bit of a basic Google search, to be honest. They did a basic Google search and company records search and found this very, very interesting history. That's what the AFR was told, but I'm interested in the process. If a landholder, who was concerned and they found out about a gold exploration licence was slapped down on their property near Gloucester at Bunya, was able to very easily find out—in fact, there was a previous story in the AFR about Gabriel Govinda and his pump-and-dump scheme—it's concerning, Minister, that the Resources Regulator doesn't inquire more deeply. Even if it's not the individual whose name is on the application, surely it requires a bit more work than that in terms of other associated companies and shareholders?

The Hon. COURTNEY HOUSSOS: Again, in relation to those specifics, I might come back to you with an answer. I think the specific processes—I'm advised that it's a robust process. We make those assessments but, if there are improvements that we can make—particularly off the back of a specific case—we're happy to take that on board.

PETER DAY: Yes, and we look at a—there's a statement of compliance history form that applicants fill out that we view. Obviously, if people put false information on that, then there are severe consequences under the Mining Act. That's where we currently are.

The Mining Act 1992 prescribes requirements for a statement of financial capability, technical capacity and compliance history as it relates to relevant legislation, to be provided with applications for authorisation under the Act.

This information includes company officials and informs the determination of the application by the decision-maker. It is the responsibility of the applicant to ensure they declare all relevant information.

The Resources Regulator can take compliance action against applicants who do not provide accurate and complete information.

(19) The Hon. DAMIEN TUDEHOPE: Mr Johnston, I'll go to you first. You collected \$12.486 billion of payroll tax for 2023-24. Is that correct?

SCOTT JOHNSTON: Yes, that's right.

The Hon. DAMIEN TUDEHOPE: How many businesses paid any payroll tax in 2023-24?

SCOTT JOHNSTON: Give me one moment.

The Hon. DAMIEN TUDEHOPE: Take your time. I don't think some of my colleagues are coming back this afternoon, so we've got a long afternoon ahead of us.

SCOTT JOHNSTON: Do you want to keep asking questions while I find it?

The Hon. DAMIEN TUDEHOPE: They're all questions that relate to that. The next question is, of those businesses, how many had a total payroll, for payroll tax purposes, of between \$1.2 million and \$1.5 million?

SCOTT JOHNSTON: I'll need to get someone in the office to pull that out for me, but I can get that.

The Hon. DAMIEN TUDEHOPE: Can you get that this afternoon?

SCOTT JOHNSTON: I'll do my best.

The Hon. DAMIEN TUDEHOPE: And over \$1.5 million, can you get that for me this afternoon?

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: On notice, if necessary, can you give me the same data for each year from 2019-20 through to 2022-23? I know you can because you gave it to—

SCOTT JOHNSTON: Absolutely. I suspect that won't be able to happen today—the past years.

The Hon. DAMIEN TUDEHOPE: But it is available.

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: Is any of this data available in the data and statistics sections of your website?

SCOTT JOHNSTON: I'll also take that on notice. We do share a lot of data, but potentially not. I'll confirm.

As at 10 February 2025:

For the 2023-24 financial year, 39,141 businesses paid payroll tax.

In the 2023-24 financial year, 4,280 businesses with the total payroll between \$1.2 million and \$1.5 million paid payroll tax.

In the 2023-24 financial year, 31,822 businesses with the total payroll over \$1.5 million paid payroll tax.

FY	Number of businesses	Payroll tax collected
2019/20 -	38,150	\$10,721,770,859
2020/21 -	33,705	\$9,569,671,657



2021/22 - 35,669	\$10,617,288,177
2022/23 - 38,174	\$13,072,464,878

For the remaining 3,039 businesses, while they individually did not meet the payroll tax threshold, when combined with the payroll of associated businesses of their payroll tax group their total 2023-24 payroll exceeded the \$1.2 million.

(20) The Hon. DAMIEN TUDEHOPE: Is data on the number of businesses that pay payroll tax contained in the budget papers?

SCOTT JOHNSTON: No, I don't think so.

JOANN WILKIE: No. We only record the amount. The only time when we would mention something like that is when there has been some sort of change to payroll tax. As part of the costing for the change, we might make note of that sort of information.

The Hon. DAMIEN TUDEHOPE: I have asked a series of questions. I want to now show you a question on notice that I put to the Minister in relation to all of those questions that I've just asked you. Can I provide that to the witness?

The CHAIR: Sorry, what is that?

The Hon. DAMIEN TUDEHOPE: It's question on notice No. 3319, for the record. Did you provide a draft answer to that question?

SCOTT JOHNSTON: I'd have to take it on notice, but possibly. I'll take that on notice.

Yes, the Department of Customer Service provides assistance, including advice to the Minister for Finance to enable her to discharge her ministerial duties, including answering questions.

(21) The Hon. DAMIEN TUDEHOPE: You've just told me that you have all the information available to answer those questions. Would you have provided a draft answer to the Minister's office in relation to those questions?

SCOTT JOHNSTON: The question was for the Minister to respond. We do support the Minister on providing responses to questions on notice. I will confirm, but I would suggest we would've been involved in—

The Hon. DAMIEN TUDEHOPE: You provided a draft response?

SCOTT JOHNSTON: Potentially, but I'll confirm. We get lots of questions, as you know.

The Hon. DAMIEN TUDEHOPE: Are you able to provide me with a copy of the draft response that you provided to the Minister?

SCOTT JOHNSTON: I'll take that on notice.

Please refer to Question on Notice 20.

(22) The Hon. DAMIEN TUDEHOPE: Do you see the answer to the question that is given there?

SCOTT JOHNSTON: "Data in relation to payroll tax can be found in the budget papers"?

The Hon. DAMIEN TUDEHOPE: That's wrong, as just confirmed by Ms Wilkie.

SCOTT JOHNSTON: In connection to the number of businesses that—

The Hon. DAMIEN TUDEHOPE: Yes.

SCOTT JOHNSTON: But there is payroll tax data contained in—

The Hon. DAMIEN TUDEHOPE: But the data available. Thank you. Could you hand that back to me? How many audits of medical practices which engage general practitioners have been conducted since 4 September 2024?

SCOTT JOHNSTON: I'm just checking, but I would suggest it's zero.

The Hon. DAMIEN TUDEHOPE: No audits of GP practices?

SCOTT JOHNSTON: I will confirm, but it would be very few, if any.

Please refer to Supplementary Question 16.

(23) The Hon. DAMIEN TUDEHOPE: I suppose the position taken by the Government in relation to auditing expired on 4 September 2024, but it was only a temporary suspension. Since that time, to the best of your knowledge, no audit—

SCOTT JOHNSTON: I'll confirm the number, but it would be few. As you're aware, Mr Tudehope, our compliance program of payroll taxes is based on data analysis and a risks-based approach, so where there's a need to put our effort, we will. I think the focus since that period of time has been very closely working with medical centres, particularly around the changes to the law and trying to—

The Hon. DAMIEN TUDEHOPE: Without auditing, how can we know how many GP practices now fit within the guidelines in respect of those practices which potentially were liable for payroll tax but which now, in fact, fit within the requirements relating to bulk billing?

SCOTT JOHNSTON: Sorry, I think I potentially misunderstood the earlier question. There were a number of businesses that did have either liabilities or audits in place which, since that time, we've been re-engaging and connecting with to assess their liabilities in the past. The question I took that you were asking was new audits had to be started.

The Hon. DAMIEN TUDEHOPE: In respect of those businesses where those GP practices which had previously been the subject of contact with your office or had previously been the subject of an audit, you have been—I think your expression was back in contact with them to explore their current situation?

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: How many of those are now paying payroll tax as a result of the new provisions which have been brought in by the Government?

SCOTT JOHNSTON: I'll take that on notice, the specific number.

The Bulk Billing Support Initiative does not impose payroll tax obligations on GP contractor wages. This initiative provides a tax rebate to GP clinics that meet specified bulk billing thresholds.

(24) The Hon. DAMIEN TUDEHOPE: The Government makes an announcement in respect of the number of practices which have saved payroll tax as a result of the initiative. How do they get to that figure?

SCOTT JOHNSTON: That was a Treasury modelling question, I would say.

JOANN WILKIE: Do you mean in the costing for the budget or for—I can't remember what was in the media release.

The Hon. DAMIEN TUDEHOPE: I don't have it in front of me, but there was a media release relating to the number of GP practices that had, in fact, made a saving because of the initiative and had a certain number of patients or percentage of patients who were bulk-billed.

JOANN WILKIE: I'll have to take that on notice, Mr Tudehope. I am not sure how that was costed.

The Hon. DAMIEN TUDEHOPE: That modelling or that figure is either a modelled figure or it's a concrete figure.

JOANN WILKIE: Yes, and I don't know which one it is. I'll have to take it on notice.

The figure specified in the media release dated 4 February 2025 was quantified by Revenue NSW.

(25) The Hon. DAMIEN TUDEHOPE: Where GP practices have, in fact, made application for rebate, has there been any audit to establish their entitlement to that rebate, or is it again self-disclosure?

CULLEN SMYTHE: It's self-disclosure, but it would not ordinarily be the case that we would begin an audit program so soon after the beginning of a program like this. It's more likely that any compliance activity would take place later in the process. I can say that no audits of medical practices have taken place on this element since the bulk-billing initiative was introduced.

The Hon. DAMIEN TUDEHOPE: Do we know how many practices have qualified for that rebate?

SCOTT JOHNSTON: We will take that on notice as well, Mr Tudehope.

Please refer to Supplementary Question 14.

(26) The Hon. DAMIEN TUDEHOPE: If a company goes into liquidation and is subsequently convicted—and you heard me ask questions this morning about a company that had a SafeWork conviction of \$450,000, of which half was to be paid to SafeWork NSW, as well as New South Wales's legal fees—would Revenue have any role in recovering that debt?

CULLEN SMYTHE: Let me just say this back to you: If a company goes into liquidation and at the time they're liquidated—

The Hon. DAMIEN TUDEHOPE: Who is the creditor? SafeWork would be. But who, in fact, seeks to recover the debt on behalf of the State?

CULLEN SMYTHE: Ordinarily, if it's a SafeWork creditor, I would assume that, as you said, it would be SafeWork.

The Hon. DAMIEN TUDEHOPE: They don't use your office?

CULLEN SMYTHE: I would need to take that on notice.

SCOTT JOHNSTON: In the State debt function that we have, we do work with SafeWork. I don't believe it extends to—but I'll get confirmation.

Revenue NSW does not currently manage Debt Recovery for SafeWork under the State Debt Legislation.

(27) The Hon. DAMIEN TUDEHOPE: I'll now ask about land tax. I'm sorry it's all you at the moment. How many notices of assessments for land tax were issued for land tax for the 2024 year, excluding nil assessments?

SCOTT JOHNSTON: So for 2024 the number of assessments was 190,707.

The Hon. DAMIEN TUDEHOPE: And for the 2025 year?

SCOTT JOHNSTON: So far, 195,796.

The Hon. DAMIEN TUDEHOPE: How many are you anticipating will be issued in the total tax year for additional taxpayers for 2025?

SCOTT JOHNSTON: I'm not sure if we have the view on that, but I'll take it on notice, Mr Tudehope.

Approximately, 219,000 are expected to be issued in 2025. The number of land tax notices of assessment that are issued in any given year is determined by various factors including client registrations, compliance investigations, issuing of clearance certificates and reassessments.

(28) The Hon. DAMIEN TUDEHOPE: Would you agree that this has resulted in additional land tax of \$544 for every land taxpayer in the 2024 land tax year?

SCOTT JOHNSTON: Actually, now that you've reframed it, that reminded me of the question. My team did look at it last night and this morning. There are a lot of factors that would come into those increases. It would rely also on the Valuer General, who is the one that issues the threshold. It's a hypothetical as to what the threshold would be in the 2025 year. I would say that your estimate wouldn't be precise, but I'm happy to take it on notice. I think it was taken on notice yesterday to give an explanation to that.

The Hon. DAMIEN TUDEHOPE: And the similar increase for the—I had anticipated an increase of \$752 per taxpayer for the 2025 year. So perhaps you could take that component on notice.

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: If I'm wrong, of course, you will advise me what the correct figure would be per taxpayer, to correct the historical error which has been corrected.

SCOTT JOHNSTON: Yes. We'll see what we can do to be helpful.

According to the 2023-24 Budget, the correction of the operation of the land tax thresholds system was expected to generate \$69 million in 2023-24 and \$59 million in 2024-25. Details of Revenue forecasts are contained in the budget papers.

(29) Ms CATE FAEHRMANN: I was questioning the Minister. I was specifically referring to the Bengalla Mining Company, which has applied to NSW Resources to test the market, basically, that situation where they do that, and the application or the public document that's been advertised states:

*Any valid submissions made may trigger a competitive process for the release of the area. Submissions should only be made where a party has a genuine interest in making an application for an exploration licence and where interested parties are willing to participate in a competitive process if it is triggered.*

What's the competitive process if it is triggered?

GEORGINA BEATTIE: The process that you're referring to is the Operational Allocation Framework. And that is the framework that applies for exploration licences for coal where it is adjacent to existing titles. There are limits on the size of area that can be applied for, adjacent to existing titles. The application you're referring to has been submitted in accordance with the policies under that Operational Allocation Framework. There is a guideline that, I believe, is on our website, which steps through that. Part of the process is to advertise for interest, if anybody else is interested in that particular area of land for coal exploration. If that happens, it triggers a separate process. That's quite unusual because it's adjacent to existing operations.

Ms CATE FAEHRMANN: So it's quite unusual for a new player to come in. Is that what you're saying? Usually it's just the one company that's testing the market, but it's quite unusual to get competitors.

GEORGINA BEATTIE: It's quite a small area, relative to existing titles. That application is under assessment, but it's being assessed in accordance with the various policies and the Mining Act.

Ms CATE FAEHRMANN: In terms of that policy itself—again, this is around exploration licence only—there's no requirement for community consultation with that process? There's testing the market, putting it out to the market. But there's nothing in terms of community consultation at the same time within the policy?

GEORGINA BEATTIE: I'd have to check exactly. I just need to check exactly some details on that before I answer the question, which I'll be able to do shortly.

Answer provided in hearing at page 48 of the transcript.

Exploration licences and assessment leases granted under the Mining Act 1992 are subject to standard conditions requiring the holder to carry out community consultation in accordance with the Exploration Code of Practice: Community Consultation.

(30) Ms CATE FAEHRMANN: Thank you. I'll just go back to the gold exploration licences and the companies and figures behind them, Mr Day. What is done to look at, say, a company and who's behind that company? I do understand that Govinda, who I was referring to earlier, is basically selling most of his licences to Trigg Resources, Trigg Minerals. That's happening. And he's just doing that in exchange for a heap of shares in Trigg Resources. That is standard, is it?

PETER DAY: In terms of the sale of the shares? That's not something we would look at. I'm not aware of that, so I'll take that on notice.

Matters regarding share trading are in the remit of ASIC.

The Mining Act prescribes requirements for a statement of financial capability, technical capacity and compliance history as it relates to relevant legislation, to be provided with applications for authorisation under the Act.

This information includes company officials and informs the determination of the application by the decision-maker. It is the responsibility of the applicant to ensure they declare all relevant information.

The Resources Regulator can take compliance action against applicants who do not provide accurate and complete information.

(31) Ms CATE FAEHRMANN: Another issue that the community has contacted me about in terms of mining activity is a relatively new one. On Saturday 300 people met in Wingham on the Mid North Coast about the mining of serpentine by MCI tech, international mining. I have a question about the complying exploration activity application. This is for Mount George stage one, which was approved, with no need for an environmental impact statement. Is that usually the case?

PETER DAY: The complying ones are very low level. If there was any sort of environmental impact to be considered, they would then be relegated to what we call a noncomplying exploration activity application. So it would depend on—and I have to take on notice what Deb's going to do there, but it would have depended on what was in the application around their activities—would it be non-invasive, I'd imagine.

The Department has procedures and assessment pathways to determine if an exploration activity is a 'complying exploration activity' (CEA). A CEA is determined where an activity is identified as being unlikely to have a significant environmental impact if carried out in a particular manner. Applications for exploration activities that do not meet the CEA criteria must be accompanied by additional environmental impact assessment information.

The CEA process ensures the obligations under Part 5 of the Environmental Planning and Assessment Act 1979 and Part 11 of the Mining Act 1992 are satisfied for exploration activities.

(32) The Hon. DAMIEN TUDEHOPE: Mr Johnston, I was asking the questions before in relation to the correcting of the historical error, which you indicated does require some finessing according to Valuer General assessments. In relation to the freezing of the land tax threshold at the re-indexed 2024 rate, would you agree that this has added a further \$1,360 to each land tax bill for the 2025 land tax year?

SCOTT JOHNSTON: If I understand the question correctly, though, wouldn't we have to have a view of what the Valuer General would have assessed the new threshold to be in 2025?

The Hon. DAMIEN TUDEHOPE: No, it was frozen as at 2024.

SCOTT JOHNSTON: Yes, but the increase—

The Hon. DAMIEN TUDEHOPE: In value.

SCOTT JOHNSTON: So how have you come to that?

The Hon. DAMIEN TUDEHOPE: Just on current values. Assuming no movement on values, would you say it's using the current value for assessing it?

SCOTT JOHNSTON: I'll take that on notice to check.

According to the 2023-24 Budget, the correction of the operation of the land tax thresholds system was expected to generate \$69 million in 2023-24 and \$59 million in 2024-25. Details of Revenue forecasts are contained in the budget papers.

(33) The Hon. DAMIEN TUDEHOPE: On notice, can you provide me with the—I do know this, but the second part I don't. What are the locations of each Revenue NSW office and how many staff are employed in each office?

SCOTT JOHNSTON: I can do that. I could tell you the locations now.

The Hon. DAMIEN TUDEHOPE: Yes, if you can go through the locations, that'd be fine.

SCOTT JOHNSTON: We're in Parramatta, we're in Lithgow, we're in Gosford, we're in Maitland and we have a smaller office in Wollongong.

The Hon. DAMIEN TUDEHOPE: And the number of staff in each office?

SCOTT JOHNSTON: I'll take that on notice, Parramatta being the largest.

Please refer to Supplementary Question 2.

(34) The Hon. DAMIEN TUDEHOPE: Are there any staff of Revenue NSW currently located interstate?

SCOTT JOHNSTON: There is a small number.

The Hon. DAMIEN TUDEHOPE: What are their functions?

SCOTT JOHNSTON: Various functions—performing functions for the organisation.



The Hon. DAMIEN TUDEHOPE: They don't attend the office?

SCOTT JOHNSTON: There's a transition. Part of the policy has a transition period for people interstate to—

The Hon. DAMIEN TUDEHOPE: How many staff are employed who work interstate?

SCOTT JOHNSTON: I'll take that on notice, but it's not a large number.

Please refer to Supplementary Question 4.

(35) The Hon. DAMIEN TUDEHOPE: What were the overall expenses of Revenue NSW in 2023-24, as a gross number?

SCOTT JOHNSTON: I wasn't expecting that question, Mr Tudehope. Just give me a moment. Could I come back to that question?

Please refer to Supplementary Question 5.

(36) The Hon. DAMIEN TUDEHOPE: Yes. My next question is what are the estimated total expenses for 2024-25? That may be in the same—

SCOTT JOHNSTON: Yes.

Please refer to Supplementary Question 6.

(37) The Hon. DAMIEN TUDEHOPE: From the expected \$51 million increase in compliance revenue, how much will be raised from an increase in land tax compliance revenue?

SCOTT JOHNSTON: For this year? Again, I'll take that on notice.

Please refer to Supplementary Question 7.