

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Wednesday, 27 October 2021

Examination of proposed expenditure for the portfolio area

JOBS, INVESTMENT, TOURISM AND WESTERN SYDNEY, INDUSTRY AND TRADE

The Committee met at 14:00.

CORRECTED

MEMBERS

The Hon. Tara Moriarty (Chair)

Ms Abigail Boyd

Mr Justin Field

The Hon. Ben Franklin

The Hon. Mark Latham

The Hon. Daniel Mookhey

The Hon. Peter Poulos

The Hon. Peter Primrose

The Hon. Penny Sharpe

MEMBERS PRESENT VIA VIDECONFERERENCE

The Hon. Catherine Cusack

PRESENT

The Hon. Stuart Ayres, *Minister for Jobs, Investment, Tourism and Western Sydney, and Minister for Industry and Trade*

* Please note:

[inaudible] is used when audio words cannot be deciphered

[audio malfunction] is used when words are lost due to a technical malfunction

[disorder] is used when members or witnesses speak over one another.

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2021-2022. Before I commence I would like to acknowledge the Gadigal people, who are the traditional owners of this land. I would also like to pay respects to Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Stuart Ayres and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Jobs, Investment, Tourism, Western Sydney, Industry and Trade.

Before we commence I would like to make some brief comments about the procedures for today's hearing. Today's proceedings are being broadcast live from Parliament's website, and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff.

Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. In terms of audibility of the hearing, we have witnesses in person and via videoconference. I ask Committee members to clearly identify who questions are directed to, and I ask everyone appearing remotely to please state their name when they begin speaking. Could everyone please mute their microphones when they are not speaking. I remind everyone to switch their mobile phones to silent for the duration of the hearing. All witnesses will be sworn prior to giving evidence. Minister Ayres, 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.

SARAH HILL, Chief Executive Officer, Western Parkland City Authority, sworn and examined

AMY BROWN, Chief Executive Officer, Investment NSW, sworn and examined

SIMON DRAPER, Chief Executive Officer, Infrastructure NSW, before the Committee via videoconference, affirmed and examined

STEVE COX, Chief Executive Officer, Destination NSW, before the Committee via videoconference, affirmed and examined

KYLIE BELL, Executive Director, Trade and International, Investment NSW, before the Committee via videoconference, sworn and examined

The CHAIR: Today's hearing will be conducted from 2.00 p.m. to 3.30 p.m. and then from 3.45 p.m. to 5.15 p.m. for Opposition and crossbench questions, with 15 minutes reserved for Government questions from 5.15 p.m. to 5.30 p.m. if required. As there is no provision for witnesses to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Thank you, Minister, for your attendance today and for the attendance of your officials. Can I just say congratulations on your election as the deputy leader of your party. Minister, are you satisfied with the performance of the Western Parkland City Authority?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: As of 30 June 2020, the authority had said that it had entered into 18 non-legally binding commitments for various enterprises to locate themselves in the aerotropolis. Are any of those 18 now binding?

Mr STUART AYRES: We have entered into some binding activity, but the primary work that is being undertaken by the Western Parkland City Authority at the moment is around master planning work and the first stage delivery of the aerotropolis core, which we have called Bradfield. We have announced—

The Hon. DANIEL MOOKHEY: What do you mean by "some binding activity"?

Mr STUART AYRES: Do you want to talk to some of them, Dr Hill?

Dr HILL: We have a number of agreements, one of which is with the CSIRO, who we are currently preparing and designing a building to be located within Bradfield City Centre as an example of that.

The Hon. DANIEL MOOKHEY: Have they entered into a lease with you?

Dr HILL: They have not entered into a lease, no.

The Hon. DANIEL MOOKHEY: We are building a building for them, but have they—

Dr HILL: We are currently co-designing a building with them and we are working through an agreement for lease with them at the moment.

The Hon. DANIEL MOOKHEY: Are there any other examples of a binding commitment that you can point to from those 18?

Mr STUART AYRES: With relation to the 18 partners?

The Hon. DANIEL MOOKHEY: Yes.

Mr STUART AYRES: Unless you want to speak to specific contracts, Dr Hill?

Dr HILL: No, there is a number that are in negotiation at the moment. I am not in a position to discuss them at the moment, but they are in the process.

The Hon. DANIEL MOOKHEY: Of course, I respect that, Dr Hill. How many new agreements of a non-binding nature have we entered into since 30 June 2020?

Mr STUART AYRES: Beyond the 18?

The Hon. DANIEL MOOKHEY: Yes.

Mr STUART AYRES: You can talk to that, Dr Hill.

Dr HILL: A further 10.

The Hon. DANIEL MOOKHEY: On notice, can we get the list?

Dr HILL: Absolutely, and it is available on our website as well I believe, but I would be very happy to give you the list.

The Hon. DANIEL MOOKHEY: I checked; I could not see.

Dr HILL: Okay.

The Hon. DANIEL MOOKHEY: If you are in a position where you can furnish what the additional 10 are, that would be helpful, Dr Hill.

Dr HILL: I am happy to provide that.

The Hon. DANIEL MOOKHEY: Of those additional 10, how many of them are western Sydney businesses?

Dr HILL: There are a number. Quickstep would be one. Romar Engineering is another example that comes to mind. I am happy to check on that and, when we provide the list, we can give that information too.

The Hon. DANIEL MOOKHEY: I appreciate that, Dr Hill. As part of its responsibilities under the city deal, the authority is required to produce a western Sydney economic blueprint. Is that correct?

Dr HILL: That is correct. That is something we are preparing; it is one of our documents. That is right.

The Hon. DANIEL MOOKHEY: Just to be clear, Minister, I am directing these questions to you.

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Unless you object, I am just going to continue the conversation.

Mr STUART AYRES: No, that is fine.

The Hon. DANIEL MOOKHEY: According to the progress report that I think the Commonwealth authority has produced, that blueprint is due this year, is it not?

Mr STUART AYRES: That is correct.

The Hon. DANIEL MOOKHEY: When is it being released?

Mr STUART AYRES: We are attempting to deliver it this year. I think we will meet that objective.

The Hon. DANIEL MOOKHEY: That is good, but given that there is not that long, are we expecting it in October or November, or is it going to be a Christmas gift?

Mr STUART AYRES: I think we will still deliver it before the end of the year.

The Hon. DANIEL MOOKHEY: You made the point, Minister, that the principal responsibility of the authority is to master plan the Bradfield city. Is that correct?

Mr STUART AYRES: In its Act it has masterplan powers, and at the moment our key focus is around the aerotropolis core, which we have called Bradfield city, subject to geographical naming rights arrangements or discussion at the moment. That is the primary focus of what the Western Parkland City Authority is doing at this particular point in time.

The Hon. DANIEL MOOKHEY: That land that we are currently master planning, as you have described it, is it the Bradfield City Centre?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Is that the land that is currently owned by the Commonwealth?

Mr STUART AYRES: No, we have transacted on that land; it is now owned by us.

The Hon. DANIEL MOOKHEY: When did it transfer?

Mr STUART AYRES: Do you know the date, Dr Hill?

Dr HILL: On 6 September.

The Hon. DANIEL MOOKHEY: So, recently.

Dr HILL: Yes.

The Hon. DANIEL MOOKHEY: Okay, great. Is that land contaminated?

Dr HILL: A contamination analysis which we have undertaken recently shows that there is a very low risk of contamination. We cannot remove any risk of contamination until we have done more thorough analysis, but it is, by any assessment we have undertaken, a low risk.

The Hon. DANIEL MOOKHEY: Great. What is it contaminated with?

Dr HILL: I would have to take that on notice. There is a detailed analysis of this and I would have to take the full details on notice, but the risk is very low.

The Hon. DANIEL MOOKHEY: When you say the risk is very low, is that a result of the risk analysis that you just referred to?

Dr HILL: It is a result of testing that has been undertaken by an environmental specialist.

The Hon. DANIEL MOOKHEY: Are we having to remediate the site?

Dr HILL: A minor level of remediation has been anticipated.

The Hon. DANIEL MOOKHEY: What is the cost of it?

Dr HILL: I would have to take that on notice, but it is a modest amount of money and it has been factored into our calculations.

The Hon. DANIEL MOOKHEY: Sure. What do you describe as "modest"?

Dr HILL: Current estimates are less than \$10 million, but that is subject to further testing and analysis once we are able to fully start proper works on site.

The Hon. DANIEL MOOKHEY: Did we pursue the option of the Commonwealth paying that \$10 million to remediate?

Dr HILL: Yes, we did.

The Hon. DANIEL MOOKHEY: Did the Commonwealth refuse to pay?

Dr HILL: We have negotiated with them a shared approach to remediating the site, and that has been factored into the cost of the land.

The Hon. DANIEL MOOKHEY: So how much of the \$10 million are we paying and how much are they paying?

Dr HILL: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Wasn't that site meant to be transferred earlier than 6 September?

Mr STUART AYRES: I do not think there was a fixed date. We obviously undertook a negotiation with the Commonwealth around the transaction of that parcel of land. When that transaction was completed, it was completed. It would have required sign-off at both of—

The Hon. DANIEL MOOKHEY: Minister, the deal was signed in March 2018. It has taken three years to transfer the land. Is that accurate?

Mr STUART AYRES: Self-evidently.

The Hon. DANIEL MOOKHEY: Okay. I think you attended a press conference with the former Premier circa 15 June this year in which you said construction of the—to be fair, you did not say but it was reported construction on the newer city centre will begin before the end of the year. Are we beginning construction on Bradfield before the end of the year?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: What is going to happen?

Mr STUART AYRES: You can talk through the early works program.

Dr HILL: We are starting holding works this year.

The Hon. DANIEL MOOKHEY: Holding works.

Dr HILL: So we will be starting to secure the sites. We are certainly working with Metro, who will be starting on site this year, and we are negotiating appropriate processes there. But holding works will be starting this year, absolutely, and with further works occurring next year.

The Hon. DANIEL MOOKHEY: Are you intending to acquire properties on Badgerys Creek Road?

Dr HILL: We have certainly written to our neighbours to inform them of our proposed approach for our first building on the site, but we certainly are not a land acquisition authority. We have our site and we have plans for our site. We are happy to discuss with our neighbours—

The Hon. DANIEL MOOKHEY: How many properties are you acquiring around Badgerys Creek Road?

Dr HILL: We are not acquiring any properties around—

The Hon. DANIEL MOOKHEY: How much are you requesting other agencies to issue their acquisition powers to acquire?

Dr HILL: Well, we have not requested anyone to acquire anything.

The Hon. DANIEL MOOKHEY: Are you intending to, along the residents of Badgerys Creek Road, initiate acquisition processes?

Dr HILL: We have no intention to, but we do notice that the precinct plans have identified a number of sites for open space, stormwater management, and that would be dealt with appropriately.

The Hon. PENNY SHARPE: Sorry. Minister, when that question was asked previously, you nodded and said, yes, there is an intention to acquire.

Mr STUART AYRES: No, I was nodding to let Dr Hill answer the question.

The Hon. DANIEL MOOKHEY: Let me just put this proposition directly: Are you intending to acquire dozens of properties along Badgerys Creek Road—to be specific, the eastern side of Badgerys Creek Road starting at the northern road to the south up to the entrance to 215 Badgerys Creek Road?

Mr STUART AYRES: The sites that are included along the edge of the aerotropolis core, which are not currently owned by the New South Wales Government, in the precinct plans that have been released publicly are included across the area that expands outside of that core. There is a layout of land uses that is put there. There is the rezoning that is undertaken. We have engaged with those people along that corridor, recognising what is in the precinct plans, and started appropriate levels of consultation. If there is a need for us to move from that level of consultation to considering acquisition, we will do so in an appropriate and transparent way.

The Hon. DANIEL MOOKHEY: Were those precinct plans developed by the authority?

Mr STUART AYRES: The precinct plans were developed by the Department of Planning.

The Hon. DANIEL MOOKHEY: Okay. Thank you. What is the current FTE authority?

Dr HILL: Ninety-five.

The Hon. DANIEL MOOKHEY: Ninety-five. As of 30 June 2020 it was 29, was it not?

Dr HILL: That is my understanding, yes.

The Hon. DANIEL MOOKHEY: That is what your annual report also says.

Dr HILL: That is right.

The Hon. DANIEL MOOKHEY: We have hired an additional 65 people—that is correct?

Dr HILL: That is right.

The Hon. DANIEL MOOKHEY: As FTE, how many people actually work there?

Dr HILL: In terms of full-time employment?

The Hon. DANIEL MOOKHEY: Yes.

Dr HILL: It would be half of that. So in the order of 50, but I can give you the latest—

The Hon. DANIEL MOOKHEY: How can you be of FTE half of 95?

Dr HILL: Sorry? In terms of headcount?

The Hon. DANIEL MOOKHEY: Headcount—what is the headcount?

Dr HILL: So the headcount—full-time equivalent is 95 people.

The Hon. DANIEL MOOKHEY: Yes, but how many people make up that 95 FTE?

Dr HILL: I do not have that information in terms of that, but I am happy to take that on notice.

The Hon. DANIEL MOOKHEY: Minister, on 13 September last year you announced the departure of Sam Sangster as CEO of the authority. Do you recall that?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Why did he leave?

Mr STUART AYRES: We appointed Dr Hill as the CEO.

The Hon. DANIEL MOOKHEY: That is true; you did. But when you announced the appointment of Dr Hill, you also said in your press release that Mr Sangster would be staying on.

Mr STUART AYRES: He did stay on for a period of time.

The Hon. DANIEL MOOKHEY: For three months, to be fair.

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Was he terminated?

Mr STUART AYRES: No. Sam departed the organisation as a willing participant. We had gone through restructure and change to the reach and scope of the organisation. It moved from being the Western City and Aerotropolis Authority. We had rolled in the management of the part of the city deal. We had also significantly expanded the capacity for the authority to work with local governments across the eight local government areas. We wanted to shape the leadership and organisation of the authority to be able to deliver on that expanded remit. Dr Hill was brought in to be the CEO for the organisation at that particular point in time. Sam continued in his role, and then after that period of time Sam made the decision to exit the organisation.

The Hon. DANIEL MOOKHEY: So let us just unpack that. On the press release in which you announced the change of leadership, you said:

Mr Sam Sangster will continue to lead the vital work on the delivery of the Aerotropolis, including the critical task of attracting international investment. Mr Sangster has been instrumental in advancing the implementation of the NSW Government's vision for the Aerotropolis.

Do you recall saying that?

Mr STUART AYRES: Not specifically, but I assume you are reading that from a press release.

The Hon. DANIEL MOOKHEY: Yes, I am. So you accept that as given—

Mr STUART AYRES: Yes, he is a good guy.

The Hon. DANIEL MOOKHEY: Indeed. But thereafter on 13 September you announced his departure, which accords with the time line. Is that correct?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: You say that this was effectively as a result of a redundancy or a restructure. Is that the way you put it, in short terms?

Mr STUART AYRES: I think Sam exited the organisation. He made that choice.

The Hon. DANIEL MOOKHEY: "Willingly"—I think is the term you used.

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Was he terminated under section 38 of the Government Sector Employment Act?

Mr STUART AYRES: I would have to take that on notice. I cannot recall—

The Hon. DANIEL MOOKHEY: Can I put it to you—and Dr Hill might be able to help here—was he terminated under section 38 of the Government Sector Employment Act?

Mr STUART AYRES: I will have to take that on notice. I do not remember the exact details.

The Hon. DANIEL MOOKHEY: That is fine, but I am asking Dr Hill as well, if you would permit her to provide a potential response too, Minister. That would have triggered a payment to him circa \$400,000. So I am interested did he receive a payment under the Government Sector Employment Act?

Mr STUART AYRES: I will take that on notice. His contract arrangements would have been with the secretary of the Treasury at the time, where the organisation was located in the administration of government orders. But, without being able to recall that, I do not want to provide information that is inaccurate to the Committee so I will take—

The Hon. DANIEL MOOKHEY: Did you sanction the change in leadership?

Mr STUART AYRES: We made very clear that we wanted to undertake an expansion of what this authority was doing. We sought the leadership we required for that expansion. We also wanted at the time for Sam to continue in his role. He played an important leadership role in the establishment of the Western City and Aerotropolis Authority. He had done a lot of very good work around investment attraction—

The Hon. DANIEL MOOKHEY: Indeed, but that is not the question. The question is: Did you sanction the change of leadership?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Therefore, when you sanctioned the change of leadership, were you told whether or not he was being terminated under section 38?

Mr STUART AYRES: No. I think I have already made it clear the intention was to have Sam stay and continue.

The Hon. DANIEL MOOKHEY: That is not the question. The question is: Were you told that he was being terminated under and entitled to a section 38 payment?

Mr STUART AYRES: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: Fair enough. Was that at the initiation of the board of the aerotropolis or was that your initiation to change the leadership?

Mr STUART AYRES: No, the leadership structure was determined by me, yes.

The Hon. DANIEL MOOKHEY: So you decided to change the leadership?

Mr STUART AYRES: Yes. I did that in consultation with the board, but it was in line with the renaming of the authority, it was in line with the expansion of the role of the authority, and it had been done in consultation with local governments that were forming part of the city deal. There was a strong—definitely a concern amongst those councils that there could be an overt focus on just the aerotropolis to the expense of other areas across the Western Parkland City. So I responded to some of those concerns with the way we had restructured the organisation for it to do more things, and my view was we needed to reorganise the authority to deliver on those. That also meant a change of senior leadership, so the person who was the CEO of the organisation, and at the time I wanted Sam to continue doing his work around the delivery of the core of the aerotropolis.

The Hon. DANIEL MOOKHEY: I appreciate that. Minister, what process was used to select Dr Hill as the authority's new CEO?

Mr STUART AYRES: I think we undertook a recruitment process in line with Treasury guidelines, but I can go back and check that and take some of that on notice.

The Hon. DANIEL MOOKHEY: Dr Hill, do you know what process was utilised to retain your services?

Dr HILL: I think this is a matter probably best answered by the Secretary to the Treasury, but consistent with the government sector employee guidelines I was transferred to Treasury on the basis of my existing grade and role.

The Hon. DANIEL MOOKHEY: To cut to the chase: Minister, did you headhunt Dr Hill or did the authority?

Mr STUART AYRES: The work that Dr Hill had done through the Greater Sydney Commission was, I thought, quite impressive. I thought that with the direction we wanted to take this organisation her skills would be incredibly well used here. We were looking to do city-shaping master planning. We also wanted to be able to continue to position the authority, and particularly the Western Parkland City, as a centre for significant investment attraction. There was going to be an ever-increasing need for the coordination of government services—

The Hon. DANIEL MOOKHEY: But Minister, just to be clear: There was no other applicant for the job? There was a choice made to recruit Dr Hill for this role?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Fair enough. Did you check into Dr Hill's performance at the Greater Sydney Commission?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Do you have confidence in Dr Hill?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Thank you. Dr Hill, has anybody in the authority ever accused you of bullying and harassment?

Dr HILL: Bullying and harassment? No.

The Hon. DANIEL MOOKHEY: Again, just to be clear: No-one in the authority has accused you of bullying and harassment?

Dr HILL: Not to my knowledge, no.

The Hon. DANIEL MOOKHEY: Has anyone at the authority or the commission ever accused you of using abusive, insulting or offensive language or comments?

Dr HILL: Firstly, may I say that I take such matters very seriously. As my conduct has shown to date, certainly I abide by the public sector values of integrity, trust, service and accountability, and I believe my activities to date have proven that. But that is a matter that I do not think is appropriate to discuss at this stage and I am happy to take it on notice.

The Hon. DANIEL MOOKHEY: I accept that if you wish to take it on notice, you can. But I am asking you directly: Has anyone at the commission or the authority ever accused you of using abusive, insulting or offensive language or comments towards them?

Dr HILL: That is a matter I think is best directed to the Secretary of the Department of Premier and Cabinet [DPC].

The Hon. DANIEL MOOKHEY: Has anyone ever said that your behaviour has led them to cry every week?

Dr HILL: Not to my knowledge. Absolutely not.

The Hon. DANIEL MOOKHEY: Has anyone ever said to you that your behaviour has made them reliant on antidepressants or other medications?

Dr HILL: Absolutely not.

The Hon. DANIEL MOOKHEY: Has anyone ever said to you that your behaviour led them to suffering from post-traumatic stress disorder?

Dr HILL: Absolutely not.

The Hon. CATHERINE CUSACK: Point of order: I think that the witness has already explained multiple times that these questions are best directed to the secretary. I add to that that I am personally finding the entire line of questioning offensive.

The CHAIR: The questions are in order. The point of order is not upheld.

The Hon. DANIEL MOOKHEY: Thank you. Minister, has anybody connected to the authority or the commission ever complained to you or your office about Dr Hill?

Mr STUART AYRES: Not to my knowledge.

The Hon. DANIEL MOOKHEY: Dr Hill, did multiple staff members resign earlier this year as a result of your behaviour?

Dr HILL: That is not a matter that I can talk to. That is a matter that they would have to explain.

The Hon. DANIEL MOOKHEY: I am just putting it to you, to be fair to you. Did multiple staff members resign earlier this year as a result of your behaviour?

Dr HILL: Not to my knowledge.

The Hon. DANIEL MOOKHEY: Did these resignations prompt the authority to appoint a probity firm known as Intrique to investigate you?

Dr HILL: As I said, that is a matter for the Secretary of DPC.

The Hon. DANIEL MOOKHEY: No, because I am asking you. Did the authority commission—

The Hon. BEN FRANKLIN: Point of order: My point of order is about the procedural fairness resolution that was passed. I understand that the member has questions he wants to ask, but I do think we are now beginning to treat the witness with less respect than I think she should be shown. I ask that you perhaps pull him back just a touch.

The Hon. DANIEL MOOKHEY: To the point of order: I am happy to treat the witness with respect, but I make the point that it is not for witnesses to refer questions to other people in other hearings. If the witness is not capable of answering the question they are entitled to take it on notice or decline to answer the question, but they cannot just respond by referring it to another person.

The CHAIR: Indeed. I am happy to rule on this. The procedural fairness resolution requires a question followed by an answer, so I understand the rapid-fire point the Hon. Ben Franklin is making.

The Hon. BEN FRANKLIN: My apologies, Madam Chair, but that was not the point. It was about treating witnesses with respect.

The CHAIR: Absolutely, which is why I am saying it is a question followed by an answer. You are entitled to answer the question but you are not entitled to refer it. You can take it on notice but you cannot refer it to somebody else. You can answer it as you see fit.

The Hon. CATHERINE CUSACK: I am so sorry, Madam Chair, but I just want to speak to that ruling. I think the—

The CHAIR: No, I have already ruled on that. Have you got another point of order?

The Hon. CATHERINE CUSACK: Point of order: The member keeps stating that the witness is not answering the question when she clearly is answering the question—

The CHAIR: No, he has not said that, I am sorry. I do not uphold—

The Hon. CATHERINE CUSACK: He does not like the answer.

The CHAIR: He actually has not said that. Mr Mookhey has the call.

The Hon. CATHERINE CUSACK: Madam Chair, this does need to be dealt with in a civilised way and we are in your hands to ensure it proceeds that way. We are in your hands. I urge you to consider that.

The CHAIR: Thank you. That also applies to Committee members. I have ruled on the point of order. I think this is being conducted in a civilised way. If that does not continue to be the case we will cross that bridge. Mr Mookhey's time has expired. Mr Latham has the call.

The Hon. MARK LATHAM: Thank you, Chair, Minister and the various officials here today. Minister, I take you back to the 2017-18 city deal between the State Government and the Commonwealth. How was that arrived at?

Mr STUART AYRES: There was lengthy engagement between the Commonwealth and local governments. We had a number of discussions with elected representatives inside governments. There was also extensive negotiation between senior public servants around the formulation of the city deal. The original policy setting was, I think, an election commitment of the Commonwealth Government at the time. It had announced that it would establish city deals in Townsville, Launceston and western Sydney. I think it has extended that beyond that to other locations. Townsville and Launceston were what you might describe as single-council deals where the tripartite arrangement was between one council, the State Government and the Commonwealth Government. Western Sydney was a substantial departure from that policy setting.

It was obviously more complex because we were reaching a city deal that engaged eight local governments as well as the State Government and the Commonwealth Government. We had formulated a series of things that all three tiers of government would agree to do or pursue. That was documented. All of the eight councils signed on to the city deal, along with the State and Commonwealth governments. There was a public announcement and a formal signing of the agreement at Western Sydney University.

The Hon. MARK LATHAM: When you say "we", at a Minister to Minister level who was involved for the State and also the Commonwealth?

Mr STUART AYRES: I was the Minister involved, primarily, in the New South Wales Government, although through the course of the engagement of the city deal we did engage with a number of other portfolio Ministers through our discussions, as you would consider normal given there were interactions that covered a number of portfolio areas. I cannot remember whether there was an actual change during the negotiation phase, but Minister Paul Fletcher and Minister Angus Taylor were both significant contributors to that. The people who actually signed on behalf of both the State and Commonwealth governments were the respective leaders: the Premier and the Prime Minister.

The Hon. MARK LATHAM: For practical purposes, you were the lead New South Wales Minister for putting the deal together?

Mr STUART AYRES: Yes, I think you could say that.

The Hon. MARK LATHAM: What were the various options on the table for linking the new Badgerys Creek airport site by rail?

Mr STUART AYRES: The city deal did not specify a rail corridor. What the city deal committed to was the State and Commonwealth governments undertaking a rail options study and then also making a commitment to link the Western Sydney Airport to the existing rail network in Sydney. That was one of the signature commitments of the city deal: both the State and the Commonwealth governments would connect the airport to the existing rail network. The city deal itself did not determine the route. The route was determined after a rail assessment study. From memory there were about six different route alignments that were looked at.

The Hon. MARK LATHAM: Right. As that scoping study unfolded and recommended you were still the lead New South Wales Minister for making a decision about a rail link?

Mr STUART AYRES: No. The rail project is a Transport project so the work to undertake the assessment around rail access is conducted by the department of transport.

The Hon. MARK LATHAM: Right. And what was your involvement?

Mr STUART AYRES: I did not play a formal—I did not play any role in the presentation of that. It was consulted on publicly. Outside of encouraging the citizens across western Sydney to make submissions and to be a part of that, my role was just engaging with Transport for briefings.

The Hon. MARK LATHAM: And when the Government arrived at the Badgerys Creek to St Marys metro, you supported that decision?

Mr STUART AYRES: Yes. I was a strong advocate of a north-south connection. My strong view was this was a very unique opportunity in time. Not only had we seen a substantial decision by the Commonwealth Government that brought with it substantial investment in the new airport, that airport needed to be more than an airport in a paddock: It needed to be integrated and connected to the existing city. This presented a wonderfully unique opportunity to really start to shape outer western Sydney. That in itself is really the genesis for the city deal. That brings the eight councils together with us, which are substantively beyond the M7. Whilst there are some elements of Liverpool and Fairfield that are sort of inside that M7 corridor, we really are talking about the outer arc of western Sydney. I was a strong proponent on making sure that there was a connection that would allow us to connect the north-west of Sydney to the south-west of Sydney via the airport. The opportunities for us to do that really were being presented through the catalytic nature of the airport.

The Hon. MARK LATHAM: And when you say you were a strong advocate, that was publicly and also in terms of internal Government decision-making?

Mr STUART AYRES: Yes. I cannot remember exactly whether they were letters or numbers in options arrangements, but my strong view all the way through that, both in public consultation and my engagements with people locally, was that the connections between Glenfield and St Marys were the two logical points for connection with the aerotropolis being in the middle—or the aerotropolis and the airport; they are so closely located—so that corridor between St Marys around to Glenfield for me is just the logical first stages of that rail line.

The Hon. MARK LATHAM: But in terms of expenditure, the \$11 billion was allocated as top priority for Badgerys Creek to St Marys, was it not? There is no money allocated for Badgerys Creek to Glenfield.

Mr STUART AYRES: That is correct. The co-funding agreement between the State and the Commonwealth is about \$11 billion and it links the rail line from St Marys to the airport and then to the aerotropolis core to Bradfield. The announcement that we have, or what we are working towards at the moment, is a rail line that meets that, so it does mean that there is a gap, if you wanted to call it that, from Bradfield through

to at least where the Leppington rail line is, but, really, we are talking about a connection through to Glenfield. So there is a gap between the aerotropolis and the Leppington or the south-west rail line.

The Hon. MARK LATHAM: Right. We have heard a fair bit recently about benefit-cost ratio [BCR]. What was it for this Badgerys Creek to St Marys Metro?

Mr STUART AYRES: I do not recall what the BCR is. I would have to take that on notice.

The Hon. MARK LATHAM: Are you familiar with the Infrastructure Australia report that came out earlier this year saying that the benefit-cost ratio was is 0.75?

Mr STUART AYRES: I am not familiar with that in detail, no.

The Hon. MARK LATHAM: But you accept that that report, issued shortly after our March budget estimates, has a benefit-cost ratio in State and Federal documentation of 0.75.

Mr STUART AYRES: I will take your word for it. I do not need to argue that point.

The Hon. MARK LATHAM: Why were you strongly advocating for a project where for every dollar of public expenditure there is only 75c of any public benefit?

Mr STUART AYRES: That is because it will completely reshape every decision that is made in western Sydney for the next 100 years. It will set forward a transport corridor that will not just link between St Marys and the airport and from the airport through to Bradfield and through Glenfield, it sets a corridor alignment that allows St Marys to be connected to the North West Rail Line, which would create much greater connectivity between the north-west and the greater Penrith area. It clearly sets forth a corridor that links the area south of the airport down to the south-west rail line at Macarthur.

It provides the steel spine, the transport corridor, which allows people who live in the Western Parkland City, those eight councils, to really move around those eight councils. It does not continue, I will call it, 150 years of transport planning that distributes people who live in western Sydney to where economic activity is located in the east. If you repeat that, you will largely just be exporting jobs from western Sydney and pushing people back into Sydney CBD. What we needed to do was allow western Sydney to grow its own economic opportunity and create more jobs in western Sydney so people could live closer to home. This rail line will do that.

The Hon. MARK LATHAM: If what you are saying is true, though, why is it not reflected in a benefit-cost ratio of one or more? Why is this 0.75, which indicates it is a very poor investment in terms of public benefit?

Mr STUART AYRES: Well, two points: One, I do not know the basis on which that 0.75 is determined by Infrastructure Australia and I do not think that is—

The Hon. MARK LATHAM: Well, it is determined by Sydney Metro. It is reported by Infrastructure Australia as 0.75.

Mr STUART AYRES: But, either way, making a decision about an infrastructure project purely based on a benefit-cost ratio is just an extremely narrow form of decision-making.

The Hon. MARK LATHAM: But there must have been other rail lines. You mentioned another five that high a higher benefit-cost ratio.

Mr STUART AYRES: Well, I do not think that they would have all had a higher benefit-cost ratio.

The Hon. MARK LATHAM: You only need one. Was there one?

Mr STUART AYRES: I do not know. I would have to go back and I would have to seek information.

The Hon. MARK LATHAM: Will you take that on notice?

Mr STUART AYRES: I am happy to take that on notice and ask Transport.

Mr JUSTIN FIELD: Thank you, Minister, for being here today. I would like to turn to Warragamba Dam, if we could.

Mr STUART AYRES: Yes.

Mr JUSTIN FIELD: You said in the estimates hearing in March this year:

The estimated cost for the project will be publicly available when the application to submit the EIS is produced in the middle of the year.

Mr STUART AYRES: Yes.

Mr JUSTIN FIELD: Can you inform the Committee of what is the estimated cost of the proposal to raise the Warragamba Dam wall?

Mr STUART AYRES: It is in the environmental impact statement [EIS] and it is \$1.6 billion.

Mr JUSTIN FIELD: That is not in the EIS.

Mr STUART AYRES: Yes. Yes, it is.

Mr JUSTIN FIELD: No. I am reading all of the sections that relate to the cost of the dam here, Minister—

Mr STUART AYRES: I am hardly hiding it, Mr Field. I have just told you.

Mr JUSTIN FIELD: The only mention of cost is—I am reading it directly from the EIS:

The preferred construction method of mass concrete buttressing was estimated in 2015 dollars to cost \$692 million for a 14-metre raising and \$865 million for a 20-metre raising.

It goes on to say:

Any costs identified as a result of the Environmental Impact Assessment and planning approvals will be factored into the Final Business Case.

Can you tell me what page of the EIS that \$1.6 billion is?

Mr STUART AYRES: I will ask Simon Draper if he has a specific reference point but, as part of our submission to the Department of Planning, Industry and Environment, we are required to submit those costings and we have done that.

Mr JUSTIN FIELD: Mr Draper, if you know offhand, that would be useful.

Mr DRAPER: Yes. It is page 4-49.

Mr JUSTIN FIELD: If I have got that wrong, I am sorry. It is 8,500 pages, right?

Mr DRAPER: Yes.

Mr JUSTIN FIELD: Thank you. So it is \$1.6 billion. Does that factor in biodiversity offset costs?

Mr STUART AYRES: No.

Mr JUSTIN FIELD: Why not?

Mr STUART AYRES: Because those biodiversity costs have not been determined.

Mr JUSTIN FIELD: So, the environmental impact—we will go to something else you said in another answer to a question:

Because the public deserves to know what is the indicative price is when we have completed all of our work. A crucial part of that is an assessment of what the environmental impacts will be. Until you have a clear understanding of what they are, you are not able to complete a business case. So, rather than cherry-picking information throughout the course of the process, let us just give the public an open, transparent document—the environmental impact statement—with the indicative price that goes with its application.

So what is the indicative price of the biodiversity offsets for the project?

Mr STUART AYRES: Well, as you know, we are currently consulting on an incredibly extensive environmental impact statement. After that consultation has been concluded, we will be in a position to be able to determine what are the biodiversity offsets that are required. They are canvassed extensively in this document. Once that is concluded, we will then be able to identify what those costs will be. They will then be released publicly, obviously, to the community in a transparent fashion in the same way we have identified the construction costs for the project.

Mr JUSTIN FIELD: I am sorry, you said:

... let us give the public an open, transparent document—the environmental impact statement—with the indicative price that goes with its application.

Mr STUART AYRES: Yes.

Mr JUSTIN FIELD: Correct me if I am wrong—it is on the website and is 8,500 pages long—it does not have an indicative price for biodiversity offsets.

Mr STUART AYRES: That is because the biodiversity offsets could only be counted after you have completed the EIS and you have consulted on it.

The Hon. PENNY SHARPE: It depends on what is in and what is out, does it not?

Mr JUSTIN FIELD: I agree with, and pick up on, the interjection of the Hon. Penny Sharpe. The EIS proposes a very specific consideration for what environmental diversity impacts are being proposed to be addressed in the EIS and considered by the project and offset. It is one-in-20-year flood impact level, essentially.

Mr STUART AYRES: Yes.

Mr JUSTIN FIELD: That is explicit. What is the cost of that bit?

Mr STUART AYRES: I think it is important to recognise that the EIS is there as a document to consult on with the public. That is what is proposed in the impact statement.

Mr JUSTIN FIELD: How is the public supposed to respond to the proposal when there is no indication—putting aside the cost—where you are going to obtain the offsets for these impacts? There is no information about that in the EIS.

Mr STUART AYRES: Well, offsets, as you know, are obtained across a wide range of areas that are permissible under the Act. What the EIS has to do is demonstrate to the public where the environmental impact will be. Once the community has had an opportunity to respond to that we will then determine, off the back of that, what biodiversity offsets are required. I have got no doubt there will be some people that will say there should be more areas that are counted as part of biodiversity offsets; others will say there should be less. Some people will say one in 20 is too high, some people will say one in 20 is too low. The CSIRO has undertaken studies around the impact of water based on the length of time that it has, the impact of water on various ecological—it has undertaken ecological studies on water impacts on particular types of flora and it will be able to present all of that.

Mr JUSTIN FIELD: I understand. These were your comments in March, when you said—

Mr STUART AYRES: Nothing has changed since then.

Mr JUSTIN FIELD: —that indicative price would be on the EIS. It is not in the EIS though.

Mr STUART AYRES: Sorry, the construction cost is presented in the EIS.

Mr JUSTIN FIELD: But that is not what you were talking about. You were talking about the environmental assessment, the environmental impact cost.

Mr STUART AYRES: I think there are extensive environmental assessments in the EIS.

Mr JUSTIN FIELD: Okay, it is not in there. I take that as given. You have just said it is not in there. The next point is: What is the status of the business case that is being developed for the project?

Mr STUART AYRES: The status of the business case has taken it to the point where we can put an indicative price in the EIS that is presented to the public—I have told you what that is. What you will do now is, after the consultation has taken place on the EIS, if there has to be any adjustments based on the response—and the Department of Planning will do that, so the opportunity for the public here is to make comment on what we have presented. After that has taken place, if the Department of Planning seeks adjustments or changes we will have to factor those in. Then we will also need to identify what is the area that will be required for biodiversity offset and then we will need to engage on how that is priced, which is a pretty standard practice.

Mr JUSTIN FIELD: Fair enough. But that is going to be a pretty significant amount of the cost of the project so it will be pretty fundamental to the business case and the estimated cost benefit of this project?

Mr STUART AYRES: Yes.

Mr JUSTIN FIELD: Will the public see that cost and see the proposed biodiversity offsets for this project before a decision is made on accepting the business case?

Mr STUART AYRES: We will be open and transparent around what those biodiversity impacts are. I cannot see a reason why we would not be open and transparent about their cost.

Mr JUSTIN FIELD: You are the Minister. It is primarily a project you have got carriage of. Will you make sure that that information is in the public realm before a decision is taken on the project?

Mr STUART AYRES: Yes, I have no problem with that. It is exactly the same approach as I have undertaken with this EIS. I have said time and time again that this project is open, transparent and extensive. There are passionate people on both sides of the argument.

Mr JUSTIN FIELD: Will you release the business case before there is a decision on this project because the only place that cost will be in the business case?

Mr STUART AYRES: No, that is actually not what you asked me. You asked me about whether I would release the biodiversity impact and the biodiversity cost, and I am comfortable with doing that.

Mr JUSTIN FIELD: Okay. When would you envisage being able to release the biodiversity offset plans for this project and the cost?

Mr STUART AYRES: I think we should allow the professional public servants to be able to do their work. First and foremost, you have an extensive document that is out for public consultation. Let the public make their assessments of that, let them make their submissions, let the Department of Planning assess those submissions and provide information to government about what the next course of action is. I think we should just let that process continue to run.

Mr JUSTIN FIELD: You have clearly done work on this. There must have been some discussions around potential cost. You would have factored in the likely cost for the current proposed impacts and you must have considered what happens if the planning department says, "That is not enough; you need to offset further impacts".

Mr STUART AYRES: In many respects, that decision is out of my hands. If the Department of Planning sets a standard for us, we will have to meet that.

Mr JUSTIN FIELD: What time line is the project team working on at the moment in terms of getting a decision by the planning department and the business case being prepared?

Mr STUART AYRES: Every single day there is high risk for flood impacts in western Sydney. The sooner I can build this project the better.

Mr JUSTIN FIELD: This project has pushed so far right over a long period of time—everything has been delayed and pushed back. I am asking you what the current time you are working on is.

Mr STUART AYRES: That will be entirely dependent on the time frame in which the Department of Planning comes back to us after they have assessed all of the submissions and the EIS. Let us not kid ourselves here, I want to build this project as quickly as possible. What I have not been prepared to do is compromise on the public's ability to see all of that data, and that is what we have provided in the EIS and we will do the same thing with biodiversity offsets.

The Hon. DANIEL MOOKHEY: Minister, we might resume the line of questioning that we started before. I will direct them to you at first instance, Minister, but you are entitled to direct as you see fit. Minister, just to be very clear, were complaints made by staff members between March and June about the behaviour of Dr Hill?

Mr STUART AYRES: I do not recall anyone making any formal complaint to me.

The Hon. DANIEL MOOKHEY: Dr Hill, just to be very clear again, between March and June did any staff member of the authority make complaints about your behaviour?

Dr HILL: No complaints had been made to me about my behaviour.

The Hon. DANIEL MOOKHEY: To the authority?

Dr HILL: That is a matter that I cannot speak to but I am happy to take on notice to clarify that.

The Hon. DANIEL MOOKHEY: When you say you cannot speak to it, what do you mean by that?

Dr HILL: I cannot speak on behalf of others in the authority, only myself. No complaint had been made to me.

The Hon. DANIEL MOOKHEY: Were there multiple resignations between March and June this year by senior members of the authority as a result of your behaviour?

Dr HILL: Not to my knowledge, no.

The Hon. DANIEL MOOKHEY: Did these resignations take place with complaints being lodged about your behaviour?

Dr HILL: I do not know what resignations you are referring to.

The Hon. DANIEL MOOKHEY: Did multiple resignations—

The Hon. CATHERINE CUSACK: Point of order: The member is now making assertions which the witness is unaware of. Can he please substantiate those assertions or simply accept the answer that he has been given and move on?

The Hon. DANIEL MOOKHEY: I will accept the answer and move on. Did those resignations prompt the authority—not you, but the authority—to appoint a probity firm known as Intrique to investigate you?

Dr HILL: Again, I am not sure of the resignations you are referring to.

The Hon. DANIEL MOOKHEY: Okay, then I will ask you a separate question. Has the authority appointed a probity firm known as Intrique to investigate you?

Dr HILL: My understanding is that I should take that on notice because it is not something that I can confirm as to how a firm—that firm—was appointed.

The Hon. DANIEL MOOKHEY: Okay, has a firm known as Intrique investigated you?

Dr HILL: That is a matter for the Secretary of DPC but I can say that a firm was appointed—I am not sure who by—to investigate complaints. Those complaints were investigated by an independent organisation, which I was very supportive of ensuring that there was independence and fairness in the process. The investigation has confirmed that none of those complaints could be substantiated and that is a matter for the Secretary of DPC, who managed the process.

The Hon. DANIEL MOOKHEY: We will get to that part, but let us just unpack that. So we have established there were complaints. Yes?

Dr HILL: No complaint has ever been made to me, no.

The Hon. DANIEL MOOKHEY: But complaints were made to somebody. Correct?

Dr HILL: You have information that I do not have, but that is my understanding.

The Hon. DANIEL MOOKHEY: And that led to the hiring of—how did you determine it—an independent firm?

Dr HILL: That is my understanding, yes.

Mr STUART AYRES: I think that was your term.

The Hon. DANIEL MOOKHEY: I did not use the term "independent firm". I used the term "Intrique"; that is the name of the firm. Was the name of the independent firm Intrique?

Dr HILL: I was not involved with hiring any firm, so I am not able to say.

The Hon. DANIEL MOOKHEY: You say that that all took place under the auspices of DPC to the best of your knowledge?

Dr HILL: That is right.

The Hon. DANIEL MOOKHEY: You say that that resulted in the claims not being substantiated?

Dr HILL: That is right.

The Hon. DANIEL MOOKHEY: Did that report also then suggest that the independent investigation recommend that you consider training or mentoring relating to your personal communication style when meeting with staff and in addressing staff who attend board meetings?

Dr HILL: I will take that on notice. You have information that I do not have in front of me.

The Hon. DANIEL MOOKHEY: Did the outcome of that investigation also say that there needed to be a workplace cultural assessment utilising staff surveys to evaluate the emotions and attitudes of staff and how the leadership and management team of the authority are viewed?

Dr HILL: Again, I do not have any of that information that you have before you, so I will take that on notice.

The Hon. DANIEL MOOKHEY: Did it also say that the authority and/or perhaps you should consider face-to-face refresher training for the code of conduct that includes a focus on core values?

Dr HILL: I will say the same: I will take that on notice.

The Hon. CATHERINE CUSACK: Point of order: The member is now basically using the privilege of this Committee to read confidential information onto the record, having been told repeatedly that the witness

cannot respond to those statements he is making. He is literally abusing the privilege of this Committee and I would ask him to change tack and to accept the evidence of the witness that she is not able to answer those questions. I also would caution the member that these are confidential human resources inquiries and that using privilege in this way risks bringing our Committee into disrepute. So please take care in what you are doing.

The Hon. DANIEL MOOKHEY: To the point of order: I have only got one more of these and, to be fair, I am putting separate propositions to which the witness is taking it on notice and for which I am not then pressing.

The CHAIR: The questions are in order. I note your comments. The witness is answering in a way that she chooses; she is taking the questions on notice and she is entitled to do that. The questions are in order.

The Hon. DANIEL MOOKHEY: Thank you. The final one I wish to put to you, Dr Hill, is did the outcome of that investigation that you just referred to also suggest that the authority consider introducing a whistleblower hotline for people to make anonymous complaints?

Dr HILL: Again, I am happy to take that on notice.

The Hon. DANIEL MOOKHEY: Thank you very much. You made reference to the involvement of the secretary of DPC. Were you referring to Mr Tim Reardon?

Dr HILL: Yes. He was the secretary at the time.

The Hon. DANIEL MOOKHEY: Minister, were you told that there was an investigation of this type underway?

Mr STUART AYRES: I do not recall having that information presented to me.

The Hon. DANIEL MOOKHEY: Was your office told that there was an investigation of this type underway?

Mr STUART AYRES: I am not aware of that information.

The Hon. DANIEL MOOKHEY: When you say you do not recall, it is possible you were told and you do not recall; is that what you are saying?

Mr STUART AYRES: I am saying I do not recall being told that.

The Hon. DANIEL MOOKHEY: Hence I am asking you, is it possible that you were?

Mr STUART AYRES: I am saying I do not recall.

The Hon. DANIEL MOOKHEY: Dr Hill, was your board apprised of the fact, to the best of your knowledge, that there was an investigation underway into you?

Dr HILL: I do not think it is appropriate I talk on behalf of my board. I will take that on notice.

The Hon. DANIEL MOOKHEY: Minister, have you had conversations with the Chair of the board, Ms Westacott, about concerns with Dr Hill?

Mr STUART AYRES: No, I have not had conversations with Jennifer Westacott about concerns with Dr Hill. As you would expect, I would have conversations with her about the performance of the CEO and my conversations with her have largely been positive ones.

The Hon. DANIEL MOOKHEY: Minister, to you and/or to Dr Hill, however you see fit, has anyone ever complained directly to the board or a board member about Dr Hill's behaviour?

Mr STUART AYRES: I do not know that either Dr Hill or I are able to speak on behalf of the board.

The Hon. DANIEL MOOKHEY: Are you okay for me to put the same proposition to Dr Hill?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: Dr Hill, has anyone, to the best of your knowledge, ever complained directly to the board about your behaviour?

Dr HILL: I do not think it is appropriate I speak on behalf of the board. I will take that on notice.

The Hon. DANIEL MOOKHEY: Has the board ever held an in-camera session to discuss your behaviour?

Dr HILL: Not to my knowledge.

The Hon. DANIEL MOOKHEY: Can we return to the matter of how Mr Reardon got involved? What is your understanding of why Tim Reardon became involved?

Dr HILL: My understanding is that I am always supportive and encourage fair and transparent processes and any investigation I would only expect would be undertaken in such a way. Mr Reardon was my employer and I insisted on a fair process given the nature of these allegations and how disappointing it was that nothing was ever raised with me.

The Hon. DANIEL MOOKHEY: So just to unpack that, you say that Mr Reardon is your employer not the authority?

Dr HILL: That is correct. I am employed by the secretary of DPC.

The Hon. DANIEL MOOKHEY: Not the board?

Dr HILL: That is correct.

The Hon. DANIEL MOOKHEY: Not the Minister?

Dr HILL: That is correct.

The Hon. DANIEL MOOKHEY: The Minister or the board has the authority to hire you, is that the implication, or whoever is in the office of CEO?

Mr STUART AYRES: Ms Hill's employment contract sits under the Government Sector Employment Act, so her accountability from an employment perspective sits with the secretary.

The Hon. DANIEL MOOKHEY: So technically your employer is Tim Reardon. That is fair?

Mr STUART AYRES: Yes.

The Hon. DANIEL MOOKHEY: You say you insisted that it take place by Mr Reardon?

Dr HILL: I insisted that there was an independent and a fair process.

The Hon. DANIEL MOOKHEY: As opposed to who else would have otherwise undertaken the investigation.

The Hon. CATHERINE CUSACK: As opposed to this, I would say.

Dr HILL: I am not able to say. I was not involved in that.

The Hon. DANIEL MOOKHEY: And you made that request directly to Mr Reardon?

Dr HILL: To relevant people in my organisation who advised me of the situation. But I am happy to take that on notice. I did not speak directly to Tim Reardon.

The Hon. DANIEL MOOKHEY: The reason I ask these questions is I am eager to understand exactly what is the legal authority of DPC to investigate you and also, therefore, what procedural fairness principles would apply to the complainants. Do you have any insight into either the legal authority of DPC or, for that matter, the procedural fairness that would apply?

Dr HILL: Again I would refer you to the secretary of DPC.

The Hon. DANIEL MOOKHEY: Sure. Moving on, Minister, six of the top nine executives of the authority that were listed in the annual report as of 30 June 2020 are no longer in the organisation. Why is the organisation turning over its leadership so much?

Mr STUART AYRES: The point I would reference here is that this is an incredibly dynamic environment. We have put a lot of requests of work into this organisation. We have expanded its scope. We have asked it to do extensive work right across the Western Parkland City. We are moving in a rapid speed around the delivery of the Bradfield city centre. There is a lot of infrastructure that is being delivered and there is a substantial amount of rezoning work that is happening. I have got no doubt that that provides an environment that will challenge and test people and my expectation is that the CEO of the Western Parkland City Authority continues to ensure that the team that she has got in place is the team that is best placed to deliver the job that we have asked of it as a government.

The Hon. DANIEL MOOKHEY: Is the implication of your answer therefore that the six executives who have left perhaps were not the type of people who were needed to perform the authority's functions?

Mr STUART AYRES: I am not the operational leader of this organisation, but—

The Hon. DANIEL MOOKHEY: Dr Hill?

Mr STUART AYRES: Sorry, I just want to answer the question. I am not the operational leader of the organisation, so it is not appropriate for me to determine whether people at a subordinate level to the CEO are appropriate for the roles. What is clear to me is that I set direction and objectives of the authority and I asked Dr Hill, as the CEO, to deliver on those.

The Hon. DANIEL MOOKHEY: On that question then, Dr Hill, why have there been six changes to the leadership team—at least six changes to the leadership team—in the last 12 months?

Dr HILL: As the Minister explained, we have expanded our remit. We have focused the organisation on delivery outcomes and we have also been working to employ more permanent people in the organisation. A number of those people that you refer to were not permanent employees, they were contractors. So we have been looking to secure a strong leadership group of permanent employees.

The Hon. DANIEL MOOKHEY: I will get to the issue of contractors, but of that six, was it your decision or theirs for them to leave? Do you want me to give you the names?

Dr HILL: If you would like to run through their names—

The Hon. DANIEL MOOKHEY: We have gone through Mr Sangster, but we have got Kara Giltinan. We have got Troy Harvey. We have got Thomas Kwok. We have got Tim Spencer and Michael Bullen.

Dr HILL: There were a range of reasons there. Some have taken long service leave. Others have decided to move on. Others were contractors.

The Hon. DANIEL MOOKHEY: On notice, do you wish to provide further detail?

Dr HILL: I think it is only appropriate that I take that on notice.

The Hon. DANIEL MOOKHEY: Okay, thank you very much. Were any of them entitled to any form of a termination payout?

Dr HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: Were any of them paid a termination payout, as the second part of that question?

Dr HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: Thank you. I have not encountered an organisation in the public sector that has turned over so many members of its leadership team. Are you confident that this is not going to happen again, or are we expecting more departures?

Mr STUART AYRES: Sorry, who are you asking that question to?

The Hon. DANIEL MOOKHEY: You, Minister, and/or Dr Hill, however you see fit.

Mr STUART AYRES: I am confident in the leadership of the Western Parkland City Authority.

The Hon. DANIEL MOOKHEY: Okay. Minister, you promised to move the parkland authority to Penrith. I am sure you would be very proud to have them in your electorate. You promised that in March—actually, just prior to the last election. When will the authority be opening its offices in Penrith?

Mr STUART AYRES: I understand that the authority is in negotiation with a building that is currently under construction in the Penrith CBD about potentially taking a tenancy. I think Dr Hill would be in a better position—

The Hon. DANIEL MOOKHEY: So they are in negotiations for a lease for a building that is currently being constructed?

Mr STUART AYRES: That is correct.

The Hon. DANIEL MOOKHEY: Therefore, when do you expect them to be in your electorate?

Mr STUART AYRES: I do not think my electorate is relevant.

The Hon. PENNY SHARPE: You think?

Mr STUART AYRES: Yes, I do.

The Hon. DANIEL MOOKHEY: Okay. Your words, not mine. When do you expect them to be taking occupancy in Penrith, as promised by you?

Mr STUART AYRES: I would have thought when the building is constructed, if the authority believes that the tenancy term that has been presented to them is appropriate.

The Hon. DANIEL MOOKHEY: So are they still moving to Penrith, or is it now an open question?

Mr STUART AYRES: No, the Government made an election commitment that the Western Parkland City Authority would be located in Penrith.

The Hon. DANIEL MOOKHEY: Dr Hill, you made reference earlier to contractor costs. For the year ending June 2020 you spent \$3.38 million on contractors. Do you have an updated figure for the last financial year?

Dr HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: Thank you very much. Minister, let's talk about WestInvest. What is your role in respect to WestInvest?

Mr STUART AYRES: The guidelines for the WestInvest Fund are currently being developed. The Premier has announced a \$5 billion fund that will be utilised to improve public amenities across western Sydney. It will focus on improving open spaces and parklands. It will modernise school infrastructure. It will allow for improved community amenities.

The Hon. DANIEL MOOKHEY: I appreciate that, Minister, but my question actually was: What is your role with WestInvest? I will put it this way: Are you the Minister with carriage of the WestInvest Fund?

Mr STUART AYRES: No. The WestInvest Fund is still sitting with the Treasury.

The Hon. DANIEL MOOKHEY: Okay. You were there and present for the announcement, do you recall?

Mr STUART AYRES: I do recall.

The Hon. DANIEL MOOKHEY: How many jobs do you expect WestInvest to create?

Mr STUART AYRES: We have not announced a jobs figure associated with WestInvest. We said that we would focus the funding on improving amenities across western Sydney.

The Hon. DANIEL MOOKHEY: Yes, but you have also said that WestInvest is the biggest part of your economic recovery strategy. It is listed as the biggest part of your economic recovery strategy, as covered last week, and you are the jobs Minister. So how many jobs do you expect WestInvest to create, or do we not have a figure?

Mr STUART AYRES: I do not have a figure associated with that.

The Hon. DANIEL MOOKHEY: Okay. When will the first project from WestInvest start?

Mr STUART AYRES: That has not been determined.

The Hon. DANIEL MOOKHEY: When will the last project end?

Mr STUART AYRES: That also has not been determined.

The Hon. DANIEL MOOKHEY: Given this is a stimulus program—

Mr STUART AYRES: Sorry. Guidelines for the WestInvest program have not been finalised.

The Hon. DANIEL MOOKHEY: That is helpful, but the question was: When will the last project end? Given this is a stimulus program that is meant to create jobs and return growth in accordance with the targets set last week, do we have any idea as to when the last part of this money will go out the door?

Mr STUART AYRES: It is a stimulus program in the sense that the Government is going to invest substantial amounts of funds in western Sydney, but I think it is most appropriate to recognise that these funds have been derived from an asset sale and we are going to reinvest those funds back into the communities across western Sydney. It will have a stimulation effect, there is no doubt about that. But have we made this determination and the focal point here to just create jobs? The answer to that is "no". That is a benefit of this program. The reason why we are investing these funds is because this is a part of Sydney that is going to have to grow. It is going to have to absorb a higher rate of population growth. It is where we have to do more greenfield development. When you recycle the value of capital that is owned by the taxpayer into better quality amenities, you improve the quality of life for people living in western Sydney.

The Hon. DANIEL MOOKHEY: I am glad you mentioned that, Minister, because that was my next question. The Government has said that it will be using the \$11 billion from the second half of the WestConnex to actually pay back debt and to lose the debt burden, which is the only way it can legally be used as a fund that has been paid into the NSW Generations Fund [NGF]. How is it possible that this \$11 billion is going to be used to repay debt, but also \$5 billion of it is going to western Sydney for WestInvest?

Mr STUART AYRES: I think you will find that the values of the transaction versus the amount of capital that was put in by the Government to that project leaves a return to the Government that can be allocated beyond the debt metrics.

The Hon. DANIEL MOOKHEY: I have looked into it, Minister. That is just not true. You have sold 100 per cent of WestConnex, and the \$11 billion that has come from the second part of the tranche, the Government announced on the same day that it would be used for debt clearance. Every single dollar from the \$11 billion transaction is being used for debt clearance; meanwhile, it is being nominated also as being used for WestInvest. I am interested in how you are capable of using this money twice.

Mr STUART AYRES: You are selecting one half of the transaction.

The Hon. DANIEL MOOKHEY: No. Are you suggesting to me right now—

Mr STUART AYRES: No, I think you are.

The Hon. DANIEL MOOKHEY: —that the Government is about to withdraw the other capital from the NGF? Because if you are, you are the first Minister to announce that.

Mr STUART AYRES: No, I am not suggesting that. I am saying that you are selecting one half of the transaction.

The Hon. DANIEL MOOKHEY: No, I am not. Well, let's talk about the first half. The \$7 billion that was left over from the sale of the first half was deposited into the NGF and invested. Are you suggesting now that that \$7 billion is coming out?

Mr STUART AYRES: No, I am not.

The Hon. DANIEL MOOKHEY: So I ask you again: How are you intending to use this money twice?

Mr STUART AYRES: We are not intending to use the money twice.

The Hon. DANIEL MOOKHEY: Then where is the money for WestInvest actually coming from? Do you know?

Mr STUART AYRES: I will take that question on notice.

The Hon. DANIEL MOOKHEY: I suggest you do. Are you going further into debt to fund this?

Mr STUART AYRES: To fund—

The Hon. DANIEL MOOKHEY: WestInvest.

Mr STUART AYRES: Well, as a Minister who is not responsible for the New South Wales budget, I think that question would be better directed to the Treasurer.

The Hon. DANIEL MOOKHEY: I might take you up on that suggestion, Minister. Are you simply spending old money with the same projects, just a new brochure?

Mr STUART AYRES: No.

The CHAIR: Crossbench time. Ms Abigail Boyd?

Ms ABIGAIL BOYD: Thank you very much and good afternoon. Minister, I would love to also ask about WestInvest, but I won't because I do not have much time. I did want to talk to you about the Supercar event in Newcastle.

Mr STUART AYRES: Yes.

Ms ABIGAIL BOYD: I understand that in the last three years there have been quite a few concerns raised by the community in relation to safety. In the first year that the event was run, a flying tyre hit two spectators, who were taken to hospital. There were people leaning out over the track to take selfies. In the second year there was car debris flying over fences. In the third year fans gained access to the track during racing. In a letter to residents the Parliamentary Secretary for Regional Tourism and Hospitality stated that the Newcastle 500 is required to meet safety criteria specified by Motorsport Australia, but Motorsport Australia's Track Operators

Safety Guide requires fences to be at least six metres away from the track edge. If you have been to Newcastle, and I am sure you have, you will know that many of those houses around the track are actually within that six metres. If you were to put a fence six metres away from the road, you would be in their properties. It is just not possible to meet those safety standards. Are you comfortable that the race can be run safely in Newcastle?

Mr STUART AYRES: I am aware that there have been a number of those incidents that you have referred to. I think there is an obligation on behalf of the event proponent to meet the safety guidelines or safety requirements that are put in place. I am working on the assumption that that is what they have done. That does not mean that there are not incidents that are unforeseeable, but you do want to try and minimise the opportunity for those things to take place. I would need to take on notice about how they have performed against the track standard requirements. It is a street circuit. I am happy to do that and provide that information back to you.

Ms ABIGAIL BOYD: Thank you. I would really like to know how it is possible under the Motorsport Australia's Track Operators Safety Guide in particular, if you could take that on notice. Turning to the future for this event, COVID Safe guidelines for major events have, as you know, been drawn up with standard venues like stadiums in mind, with certain numbers of people in a certain space, particularly arenas where people can be socially distanced. But that is not what will happen in Newcastle for this race, with over 2,000 residents housed within the event area itself. How is it possible to make this event COVID-safe?

Mr STUART AYRES: It will be dependent on the time frame in which the event takes place against the road map that the Government has published. That road map will continually be updated based on advice that we receive from our public health teams, particularly influenced by the rate of vaccination that exists across the New South Wales population. You have seen the Government already make adjustments to that given that the population has been vaccinated at a faster rate than first thought. As vaccination rates increase, restrictions tend to be removed. It would be appropriate to recognise the time frame of this event. It is difficult to predict exactly where those settings will be. I would also say the road map and the public health order do provide for conditions for events that are not held in what is called major recreation facilities under the road map. We have controlled events, which are ticketed and fenced events. This site is a site that does have fencing that determines who comes in and out. That would fall under one of those controlled events. There is both the need for a COVID safety plan and also a density provision. That would determine the amount of tickets that could be sold.

Ms ABIGAIL BOYD: Two things there: We have previously had breaches of those fences at these events, which is part of the safety concerns I stated before. Also I understand there are 2,000 residents who actually live within the event area. They are already within the bounds of the event. Are you going to require all of them to be double vaccinated?

Mr STUART AYRES: I have not seen the specific COVID safety plan for this event. I would need to consult that.

Ms ABIGAIL BOYD: Perhaps you could. There are many young children and elderly people in that area who are very concerned about the idea of unvaccinated people wandering around during that event.

Mr STUART AYRES: Under the current provision to enter a COVID safety event, you would need to be fully vaccinated.

Ms ABIGAIL BOYD: But then you have got people already in there who you cannot exclude from their own homes.

Mr STUART AYRES: No. But the proposition that you just suggested to me was that unvaccinated people would be able to enter the COVID-safe controlled event, and that would not be the case under the current plan.

Ms ABIGAIL BOYD: I understand—people coming from outside who are not residents who are wandering around inside the event. Could you tell me the total cost to New South Wales taxpayers of the Newcastle 500?

Mr STUART AYRES: I do not have that information available to me. It is a contract that exists with Destination NSW. I can take that on notice.

Ms ABIGAIL BOYD: If you could, including capital, ongoing and in-kind costs. Are you aware that Supercars' ticketing information that was reproduced in the annual report of 2017-18 was found to be a gross exaggeration of the number of people who could possibly have attended that event?

Mr STUART AYRES: I am not familiar with what was in the Supercars report, no.

Ms ABIGAIL BOYD: That attendance reporting from Supercars and the tourism expenditure that was extrapolated from that reporting has been used to justify the public funding for the Newcastle 500. Clearly, it is in your interest to know whether or not that has been exaggerated or whether those numbers are correct.

Mr STUART AYRES: I am not going to speak for what Supercars has put in its annual report. What Destination NSW will do is it will conduct an assessment on an event based on visitor metrics, and then it will assess against numbers that have been presented. At the end of the contract term, we will assess the performance of that project and determine whether we want to either renew that contract based on its performance or perhaps we may want to allocate resources to a different priority. That would normally happen at the end of the contract period.

Ms ABIGAIL BOYD: Would you independently review those figures that they are presenting to you?

Mr STUART AYRES: I will take that on notice around what work Destination NSW do there.

Ms ABIGAIL BOYD: Thank you. If you could let us know whether that exaggerated reporting led to them getting an increase in funding, that would be useful as well.

The Hon. MARK LATHAM: Minister, earlier on, in outlining your strong advocacy for the St Marys metro line, you spoke about the public transport advantages. Why then in the benefit-cost ratio, which is only 0.75, do only 18 per cent of the benefits flow to public transport use?

Mr STUART AYRES: I am not familiar with the points of the business case that you are referring to, Mr Latham. I could not comment on those. They are probably questions better directed to the Minister for Transport and Roads.

The Hon. MARK LATHAM: But you would agree that only 15c in the dollar of public expenditure flowing into public transport benefit is a paltry return to the New South Wales taxpayer?

Mr STUART AYRES: No, I would not agree with that in relation to this project because not only does it have the near term requirements of transporting people to a new airport, it will also have a substantial impact in the way we shape and design and how public policy is made in relation to outer western Sydney. It will no doubt have an intergenerational impact on the way future transport is funded, particularly the extensions and links that are associated with this line. It does move the weighting towards projects that will see extensions of this line, whether that be the extension from the Bradfield city around to the Leppington-Glenfield line, whether that is the line that extends from Bradfield down to Macarthur or whether that is the line that extends from St Marys around to the North West Rail Link at Tallawong.

Once you have made that decision to go north-south, you are starting to reshape both public transport thinking and land use planning. That has had a profound impact in the way many government agencies have thought about western Sydney. Had we taken a decision to take potentially the shortest route—just to provide a connection to the airport—we literally would have been utilising the airport as a landing location in western Sydney and then distributing people in from that airport directly back to the east. Had we baked that concept into the public policy thinking here in New South Wales, I think we would have missed not just a generation but perhaps a once-in-a-century opportunity to create economic and social opportunity for people who live and will live in outer western Sydney.

The Hon. MARK LATHAM: How do you know about those passenger movements given that the scoping study in 2018 and the Sydney Metro final business case last year failed to analyse and report on where the new airport's passengers were likely to go to and where they would come from? This is just your own personal opinion, isn't it?

Mr STUART AYRES: Yes, but that is what you asked me. That is what I am offering.

The Hon. MARK LATHAM: You are spending \$11 billion of public money based on your own personal opinion—complete guesswork—with no scoping study or business case analysis of where the passengers come from to fly out of Badgerys Creek airport or where they want to go to once they fly in? Are you serious?

Mr STUART AYRES: No, you asked me for what my position was and why I advocated—the decision to invest was one that was done by the department of transport. It did a scoping study across multiple lines across outer western Sydney. It engaged the public. That decision was taken by government. It was also done in consultation with the Commonwealth Government, who is a significant contributor. I can stand corrected if this statement is false, but I think this is the single largest investment in public transport by the Commonwealth Government in New South Wales history.

The Hon. MARK LATHAM: Why then is Infrastructure Australia saying that they would now exclude the project from their infrastructure priority list because, "The proponent's"—the New South Wales Government—"business case does not provide sufficient evidence that the proposed project is the best solution"?

Mr STUART AYRES: That is a matter for Infrastructure Australia, but I do not agree with it.

The Hon. MARK LATHAM: On what basis do you not agree?

Mr STUART AYRES: I have said a number of times, Mr Latham, that the decision to do a north-south rail line was not an exclusive decision on the movement of passengers. Where you place rail lines—there is significant investment on behalf of the taxpayer—has intergenerational impacts. If we were making a choice to miss the catalytic opportunity and the economic opportunity that was generated by a \$5 billion-plus investment by the Commonwealth Government in a new western Sydney airport and we made a decision to take any new arrivals and to immediately distribute those people back to the east of the city, I do not think that would have been in western Sydney's best interest.

The Hon. MARK LATHAM: What if the people landing in Badgerys Creek want to see the centre of Sydney, as most international tourists naturally do? What are you planning to do? Lock them in western Sydney?

Mr STUART AYRES: I am not planning to lock them in anywhere, but I do know that if we make it easier for them to access the Blue Mountains, if we make it easier for them to access the greater Penrith region, if we make it easier for them to access Liverpool, if we make it easier for them to access Campbelltown, if we make it easier for them to access Camden, if we make it easier for them to access Wollondilly, if we make it easier for them to access Hawkesbury and if we make it easier for them to access Blacktown, then those communities benefit. If we make it easier for them to come back to George Street in the Sydney CBD then western Sydney loses, Mr Latham.

The Hon. MARK LATHAM: The aforementioned Sam Sangster, who was your original head of the aerotropolis authority, said that after an international study around the world Badgerys Creek runs the risk of being a white elephant if it does not have a fast train link direct to the centre of Sydney. That is the international experience for every overflow airport. Why is your personal opinion, and the waste of \$11 billion, going to make that any different?

Mr STUART AYRES: I do not think investing in a rail line that will allow people who live in western Sydney to move around western Sydney and access a new international airport is a waste of money.

The Hon. MARK LATHAM: Why is Sangster wrong?

Mr STUART AYRES: I have just explained that, and I will continue to say it over and over again.

The Hon. MARK LATHAM: How does Liverpool, Campbelltown and Camden benefit from changing trains at St Marys? The proposition is ridiculous.

The CHAIR: Sorry, Mr Lathan, we are at the end of this session. We will have to come back to it.

Mr JUSTIN FIELD: Minister, I can understand why I might have missed the \$1.6 billion now having had a look at chapter 4 of an 8,500 page document.

Mr STUART AYRES: It is a good chapter.

Mr JUSTIN FIELD: Because it is not under the section entitled "Economic assessment cost", which restates the 2015 estimated figure of \$692 million. Why that is in this document is beyond me. It is buried, to some degree, under a section "Summary of taskforce costing of options" which, of course, was a 2015 process. But here we see the net present value figure given. It states in this document that the final EIS net present value cost of the dam—this option of 14 metres that we are discussing—is \$1.075 billion based on several inputs. They are \$1.6 billion of capital costs, and it outlines some of those; and a provisional allowance for environmental offset costs; plus annual additional operating costs, less a provision for works that would otherwise be required on the dam wall. What is the provisional allowance for environmental offset costs?

Mr STUART AYRES: I will ask Mr Draper to answer to answer that question.

Mr DRAPER: There is a whole appendix on how the biodiversity offsets are assessed and the credits that are currently calculated to go with those. What is not included in the EIS at the moment is the likely cost of acquitting those requirements, but that is really going to be subject to the EIS process and any other inputs that we see from public submissions or agencies' submissions, and then a decision on how they get acquitted. That cost is not finalised yet.

Mr JUSTIN FIELD: No, I understand that. That was not actually my question. That section under table 4.10 that outlines the net present value says that the net present value includes a number of costs, including a provisional allowance for environmental offset costs taking into account consultation with regulatory agencies. There is clearly a provisional allowance. You have identified in the estimate of the net present value a provisional allowance for offsets. What is that provisional allowance?

Mr DRAPER: The reference to the consultation with regulatory agencies refers to a process. You referred earlier to the one-in-20 year flood. That is not really how it is calculated. It is a series of 20-year episodes across 200,000 years. So they have done a Monte Carlo analysis to figure out the impact area of any floods.

Mr JUSTIN FIELD: I acknowledge that I was simplifying. I am asking for the provisional allowance cost.

Mr DRAPER: Just to explain, the consultations, having the regulatory agencies work out the impact areas, the likely impacts and then credits as set out in the EIS—the cost of acquitting is not included in the EIS because we do not know exactly what that will be.

Mr JUSTIN FIELD: No, I am not asking for the cost of acquitting, Mr Draper. Sorry, I am not. [Disorder]

The CHAIR: We can only have one speaker at a time, particularly when someone is online.

Mr JUSTIN FIELD: I apologise for cutting you off, Mr Draper. I have limited time. I went through it with the Minister. I am not asking for the likely cost of acquitting the offsets that will be required. I am prepared to accept that there might be changes based on the planning approval that you have to factor in. But you have a net present value in here that is based on four different elements combined: A, plus B, plus C, minus D equals net present value. There must be a figure for the provisional allowance for environmental offset costs or otherwise you could not have worked out a net present value of \$1.075 billion. What is the provisional allowance for environmental offset costs that was used to come up with that net present value figure?

Mr DRAPER: I may have spoken over to you too, so apologies for that. The best answer I can give to you today is that the costs that the economists who have done this calculation have included is based on the offsets and the credits that will be required, which is set out in quite a comprehensive detail in the EIS. The methodology for calculating those has been done with both Commonwealth and State regulatory agencies. But the dollar figure you are looking for, I will have to take that on notice and come back to you on that. I apologise for that.

Mr JUSTIN FIELD: Okay, I appreciate that, but I will not keep my hopes up. Continually through your media statements in the past couple of years about the dam, and it has been restated in the EIS, there is a suggestion that the Warragamba Dam raising would result in substantial reduction in flood damage costs. The figure that is used is 75 per cent. Am I right that that 75 per cent reduction in damage costs is based on modelling done by the Insurance Council of Australia?

Mr STUART AYRES: The Insurance Council may have been involved; I am not entirely sure. In fact, because I cannot remember all of the details around that figure, I will take that on notice. I am not thinking that the Insurance Council has been engaged in the creation of the EIS, so I do not think that is likely. But, so I can provide you with a more accurate answer, I will that on notice.

Mr JUSTIN FIELD: If you could, because there is no explanation in the EIS on how that figure was arrived at. If you could explain the documentation on the models that came up with that figure, that will be useful.

Mr STUART AYRES: What I can tell you is that raising the dam wall by 14 metres will reduce substantially the number of times flood activity would take place, and, therefore, properties that would normally be impacted by floods would not be impacted. If you reduce the incidence of flood—and we have forecast that based on the modelling that is available and the EIS to be about 75 per cent.

The CHAIR: We are due to have a break at 3.30, so it is a matter for the Committee. There is time to split it for one question each from the Opposition and crossbench and then break at 3.30 p.m.

The Hon. PENNY SHARPE: I have a quick one. Minister, I want to talk to you about the Australian manufacturing research facility within Bradfield city. In November 2020 you put out with bells and whistles and a whole lot of models this great and important part of delivering the 200,000 jobs promised as part of the aerotropolis. Why has that now been downgraded to being a pilot?

Mr STUART AYRES: It has not been. The Advanced Manufacturing Research Facility [AMRF] is probably the first core building that we will build. We will do what we call building one, which is an early stage building to start to, one, introduce people to the parkland city. It is effectively the first building so, as I have often

said, someone has to build the first building in a paddock. This first one we are building is a smaller building and the AMRF will be built around that over time.

The Hon. PENNY SHARPE: When do you think that will be complete?

Mr STUART AYRES: When will the first—

The Hon. PENNY SHARPE: I mean, you have spent \$1 million so far and you have only got \$5 million for planning money. What is the time frame for its finalisation?

Dr HILL: We are aiming for building one to be completed by 2023, which will include the pilot AMRF and we are currently preparing a business case for the full building. We are aiming for around 2026 for the full building.

The Hon. PENNY SHARPE: In the last budget it was pushed back to 2022. You are now telling me it is 2023?

Mr STUART AYRES: I am not quite sure from where you are deriving your original figure.

The Hon. PENNY SHARPE: That is the figure in the budget in terms of when it will be complete. You are telling us there is going to building in 2023—

Mr STUART AYRES: I do not think we were ever—

The Hon. PENNY SHARPE: And the final thing will be finished in 2026?

Mr STUART AYRES: I am pretty certain our public—

The Hon. PENNY SHARPE: Is that the whole thing or just the pilot?

Mr STUART AYRES: There is the pilot building which is the first building and then the AMRF will be built as a larger building that comes around that. We have always been saying that we would start construction on building one, the pilot building, in 2023.

The Hon. MARK LATHAM: In the limited benefit-cost ratio of 0.75 for this metro line, 64 per cent of the benefit goes through to urban development benefit, essentially land values. Along the metro corridor who would be the biggest beneficiary, the biggest private sector landowner from Badgerys Creek to St Marys?

Mr STUART AYRES: There are two rail sites that Transport for NSW selected that are either not existing railway stations or not on airport or the aerotropolis core. They are the site at Orchard Hills and the site at Sydney Science Park at Luddenham.

The Hon. MARK LATHAM: Who owns that?

Mr STUART AYRES: Who owns what?

The Hon. MARK LATHAM: Sydney Science Park that would be the major beneficiary of the land values. They are the biggest landowners.

Mr STUART AYRES: They are a large landowner. Celestino is the name of the business that owns that parcel of land. The area around Orchard Hills is owned by a multiplicity of owners.

(Short adjournment)

The CHAIR: Welcome back. We will start with the Opposition.

The Hon. PETER PRIMROSE: Minister, do you still expect Western Sydney airport to open in 2026?

Mr STUART AYRES: That is the latest advice I have from the Commonwealth and Western Sydney Airport: It will be open in 2026.

The Hon. PETER PRIMROSE: Do you expect the airport to be open in 2026?

Mr STUART AYRES: I have no reason not to believe the advice that was given to me.

The Hon. PETER PRIMROSE: Can I refer you to the Western Sydney Needs Rail Scoping Study from 2018. Specifically, this study states:

The focus of this study was passenger rail requirements for Western Sydney. Freight requirements for Western Sydney are being considered separately by the NSW Government.

I have been searching various New South Wales Government websites for any information on planning for rail freight from the Western Sydney Airport and the only document I could find is the Western City Aerotropolis

Integrated Logistics Hub Scoping Study from July 2020. Is that the only scoping study on rail freight in western Sydney that you are aware of?

Mr STUART AYRES: No, the department of transport has reserved a freight line that connects towards the M7 and across to where the Erskine Business Park is on Mamre Road, so there is a corridor that is being publicly released. It may well have been gazetted, but I would have to check that. That will become the first freight rail connection that comes into the aerotropolis. To be clear, there is not a freight corridor or a freight rail alignment that goes directly to the airport, but you may not necessarily put a freight rail connection directly at the airport; you may want to have that more closely located to where other freight rail would operate from.

The Hon. PETER PRIMROSE: So there are no scoping studies or planning documents for western Sydney rail freight and particularly for the Western Sydney International Airport?

Mr STUART AYRES: If they exist, Transport would be doing those. I am only aware of the work that has already been consulted on publicly.

The Hon. PETER PRIMROSE: Given your role, I thought that would have been something you would have been intimately aware of.

Mr STUART AYRES: They may well be doing some work around freight that I have not seen at this stage, but what I am aware of is the work that we have released publicly around freight rail corridors.

The Hon. PETER PRIMROSE: Can I ask if you could take on notice any—if there are any—publicly available studies, other than the one that I have referred to, that relate to freight?

Mr STUART AYRES: Yes, within my portfolio, I can look for that.

The Hon. PETER PRIMROSE: Yes, or maybe studies within government that have been publicly released?

Mr STUART AYRES: Yes. I am not trying to be rude here, but I think that we have two transport Ministers who cover these areas. I would definitely suggest that in these hearings you could ask the Ministers that are responsible for transport and the Ministers responsible for freight.

The Hon. PETER PRIMROSE: I was hoping that the Minister for Western Sydney and Jobs might know. The 2018 passenger rail requirement scoping study said that there is likely to be a weak demand for passenger rail to Western Sydney airport in its early years of operation. Is that still the working assumption that your agencies are working on?

Mr STUART AYRES: It is based on two things, Mr Primrose: one, that the capacity of the airport will build over time—I think they are expecting to open at about 9 million pax—and then the connection points between the airport and the existing rail corridors. They are not densely populated. Once you get back to existing rail corridors, the density of population starts to increase, so in the early stages of that rail line it stands to reason that the people that will be on that rail line will be people moving between the airport and the existing Sydney rail corridor.

The Hon. PETER PRIMROSE: So the answer is yes, it is still the assumption that there is likely to be weak demand for passenger rail to Western Sydney airport in its early years of operation?

Mr STUART AYRES: I am not quite sure how you are defining "weak".

The Hon. PETER PRIMROSE: It is as per your Government's report. Is that still the assumption?

Mr STUART AYRES: I think it relates to the amount of people that will land at the airport and use passenger services, yes.

The Hon. PETER PRIMROSE: So we assume you do not know whether or not you are acting according to that government report.

Mr STUART AYRES: I do not know how many people will land at the airport in its first year, but I do know they are forecasting around nine to 10 million people.

The Hon. PETER PRIMROSE: "Weak demand" is what your report said. Infrastructure Australia indicated that western Sydney rail freight is a problem in the near term—under five years—and goes on to state:

Currently there is no freight rail serving the Western Sydney Employment Area, which is located close to the new Western Sydney International Airport ...

Continued reliance on road transport is likely to result in higher transport costs, further congestion impacts on the Sydney road network and restricted access to international markets ...

I again ask why the rail freight lines have not been done in tandem with the metro.

Mr STUART AYRES: That rail corridor that you were just referring to then is exactly the one I was talking about earlier. The Erskine Business Park is part of the Western Sydney Employment Area.

The Hon. PETER PRIMROSE: Tell me the time line for that.

Mr STUART AYRES: We have reserved the corridor. For the construction of the freight line, I do not have that figure ahead of me.

The Hon. PETER PRIMROSE: You do not know?

Mr STUART AYRES: I do not know of a proposal before Government to construct a freight line in that corridor. The first stage of that is corridor reservation.

The Hon. PETER PRIMROSE: So it is off in the never-never somewhere?

Mr STUART AYRES: No. The last time a transport corridor was reserved in western Sydney was in 1952. Whether it is freight rail corridors, road corridors, passenger rail corridors, I think we have done a reservation of around 150 kilometres. We are the first Government in nearly 70 years to start the very first basic preparation for public transport and freight rail in western Sydney.

The Hon. PETER PRIMROSE: Yes, but it actually has to be constructed. I go back to Infrastructure Australia indicating—

Mr STUART AYRES: Yes, but you have to have a corridor reservation to start with.

The Hon. PETER PRIMROSE: You have told me you have a corridor.

Mr STUART AYRES: Yes.

The Hon. PETER PRIMROSE: That is very nice and very good, but when will freight, according to Infrastructure Australia's concerns, actually start running? When is it actually going to be constructed? You said the last time a corridor was reserved was 1952. Presumably we will not have to wait half a century for this one. There is no plan at the moment and no indicative timetable for rail freight?

Mr STUART AYRES: No, freight rail is covered off in the *Future Transport 2056* document.

The Hon. PETER PRIMROSE: So what is the timetable?

Mr STUART AYRES: I cannot remember the dates in that document. I can take it on notice for you. It is also publicly available.

The Hon. PETER PRIMROSE: A decade?

Mr STUART AYRES: I am not going to comment on it; I do not have that information in front of me. I will take it on notice.

The Hon. PETER PRIMROSE: May I ask, through you, do any of your officers here have an idea of the timetable?

Mr STUART AYRES: I think it is appropriate. We do have Transport 2056. It is a document that is a longer-term plan for transport solutions in Sydney and it is publicly available. I cannot recall the time frames that are associated with freight rail. What I have explained to you is that we have done corridor reservations to start to connect to where those key hubs are, which has been highlighted by Infrastructure Australia in the document that you have just referred to. We have taken those steps. I will happily take the time frames on notice so that I can refer to the 2056 document.

The Hon. PETER PRIMROSE: So you do not know and it will be some time in the future.

The Hon. BEN FRANKLIN: He will be taking it on notice, which is fair enough.

The Hon. PETER PRIMROSE: Yes, I accept that. The Minister said he does not know and I am just reiterating that.

The Hon. BEN FRANKLIN: He is taking it on notice.

The Hon. PETER PRIMROSE: He has taken it on notice and it will be some time in the never-never. The New South Wales Auditor-General found your Government's rail and ports plan to be severely lacking. The Auditor-General's report found that the Government has an inability to improve freight capacity in Greater Sydney or to meet current and future demand. Are you familiar with that report?

Mr STUART AYRES: No, I am not familiar with that report.

The Hon. PETER PRIMROSE: So there is not going to be an actual freight line for the Western Sydney airport when it opens—you hope—in 2026. That is correct, is it not?

Mr STUART AYRES: Yes, I think that is pretty much public knowledge, Mr Primrose, that there will not be a freight line when the airport opens in December 2026.

The Hon. PETER PRIMROSE: It may well be public knowledge. I just wanted to confirm that you are aware of it, Minister.

Mr STUART AYRES: Yes.

The Hon. PETER PRIMROSE: Minister, during the last round of estimates, I asked you about the Australian Federal Government's Local Jobs Program, specifically the reports entitled *Sydney Greater West Local Jobs Plan* and the *Sydney South West Local Jobs Plan*. Are you familiar with those documents now?

Mr STUART AYRES: I think we provided some answers on notice to your questions.

The Hon. PETER PRIMROSE: So you are familiar with them?

Mr STUART AYRES: Yes. It was a Federal Government document. It was not produced by the State Government.

The Hon. PETER PRIMROSE: Okay. Who are the State Government's stakeholder representatives on the Local Jobs and Skills Taskforce?

Mr STUART AYRES: I am not familiar with that. I will take that on notice.

The Hon. PETER PRIMROSE: Okay. The Government is represented on the Local Jobs and Skills Taskforce and, by your answer. I can only assume that your office has no involvement in this program that is occurring in western Sydney. Is that correct?

Mr STUART AYRES: To the best of my knowledge, but I will take that on notice as well.

The Hon. PETER PRIMROSE: What—to the best of your knowledge that you are involved?

Mr STUART AYRES: No. I am not—

The Hon. PETER PRIMROSE: Or that you take no interest in it?

Mr STUART AYRES: I would appreciate—

The Hon. BEN FRANKLIN: Point of order: The tenor of the questioning from the Hon. Peter Primrose is actually becoming quite rude. I ask that he follows in the steps of the Hon. Daniel Mookhey and the Hon. Penny Sharpe and be respectful when he is asking the questions. He can make his point with the strength of his argument rather than the pejorative nature of the commentary.

The Hon. PENNY SHARPE: To the point of order: That is not a point of order.

The CHAIR: It really is not.

The Hon. BEN FRANKLIN: Further to the point of order: It actually is.

The Hon. PENNY SHARPE: Further to the point of order: Being rude is not a point of order.

The Hon. BEN FRANKLIN: Yes, it is because—

The Hon. PETER PRIMROSE: This is taking my time. I would ask the Chair to rule, please.

The CHAIR: I am happy to deal with this.

The Hon. BEN FRANKLIN: Further to the point of order: It is about treating witnesses with respect. That is the point of order.

The CHAIR: I understand. People are entitled to be treated with respect. We have limited time, so I will say what I usually say at these hearings. Can we have a question followed by an answer? People are entitled to take questions on notice, if they wish.

The Hon. PETER PRIMROSE: Okay. Minister, do you receive briefings from the Government's representatives in relation to jobs in western Sydney on these task forces?

Mr STUART AYRES: I have not received a briefing in specific respect to those task forces.

The Hon. PETER PRIMROSE: In previous estimates I asked you about your draft Aerotropolis Precinct Plans technical reports summaries dated November 2020. You have now read that, is that correct?

Mr STUART AYRES: Have I read the technical report assessment?

The Hon. PETER PRIMROSE: Yes.

Mr STUART AYRES: I am aware of the document. I would not say that I have read every single page of the aerotropolis technical assessment. Have you, Mr Primrose?

The Hon. PETER PRIMROSE: Yes. The report states that it examines the—

... catchment area defined as the Western City District local government areas (LGAs). This Catchment Area is then split into Primary and Secondary catchments based on their proximity to the Western Sydney Airport. The Primary Catchment is defined as the Liverpool, Penrith, Fairfield, Camden and Campbelltown LGAs with the Secondary Catchment defined as Blue Mountains, Hawkesbury, and Wollondilly LGAs.

I note that on page 29 of that report it states:

... industries such as health care and social assistance ... experienced declining employment

Last time, as the Hansard record shows, you agreed with this statement. Do you still agree with that statement?

Mr STUART AYRES: I think I refuted the concept that healthcare employment had declined. That is my memory of the hearing.

The Hon. PETER PRIMROSE: You refuted that?

Mr STUART AYRES: Yes.

The Hon. PETER PRIMROSE: That is not what the Hansard transcript said, but I will take that as your answer. Why is that statement in the report then?

Mr STUART AYRES: To the best of my knowledge, health care is one of the faster growing sectors of employment across western Sydney.

The Hon. PETER PRIMROSE: What are your predictions for the need for workers in the healthcare and social assistance categories in each of these LGAs over the next decade?

Mr STUART AYRES: I have got no doubt that it will increase.

The Hon. PETER PRIMROSE: Do you have predictions?

Mr STUART AYRES: I do not have them available but I can take workforce data on notice and provide it to you.

The Hon. PETER PRIMROSE: May I ask then specifically if you will take on notice the question: What are the predicted numbers of those who will be employed in the healthcare and social assistance category over each of the next five years by each of the eight LGAs in the western Sydney district catchment area?

Mr STUART AYRES: If that information is available, I will provide it on notice.

The Hon. PETER PRIMROSE: I would be most surprised if it was not, Minister. Thank you very much.

The Hon. PENNY SHARPE: Minister, I want to ask you about your trade commissioners. I think, Ms Brown, I will be looking at you. In November last year, in June this year and in October this year you announced that you will double the footprint of the New South Wales international network from 11 to 21 offices and appoint six senior trade investment commissioners, including an agent-general in the UK. How many of those extra 10 office locations are now open?

Mr STUART AYRES: I am not sure that—I will get Ms Brown to answer the question about offices opening. I will make one reference point here—that the last 20 months has not necessarily been the ideal time to try and open new trade commission offices internationally. We have done a lot of that work domestically, but as far as specific numbers, I will let Ms Brown answer the question just on individual offices.

Ms BROWN: Yes. Of the new offices that are being opened, as you know there are six hub offices that look after the region. Of those, only one is new and that is in New York.

The Hon. PENNY SHARPE: Is that open?

Ms BROWN: It is to open in January 2022 and it is based within the Australian Consulate in New York.

The Hon. PENNY SHARPE: So the other five are already existing?

Ms BROWN: The other five are already in existence, yes. Just to clarify, some of them are in existence but they are in shared office accommodation with Austrade, for example.

The Hon. PENNY SHARPE: Yes.

Ms BROWN: We are converting them into independent hub offices. So Tokyo would be an example of that, and that is opening in March 2022. Singapore is a similar scenario. Singapore is currently in shared accommodation but it will be an independent office towards the very end of this year. New York, as I said, is still to open in January 2022. Mumbai is already open. It is an independent hub office as we speak and Shanghai is already an independent hub office. We then have a number of spokes which are either existing operational or also opening as additional locations for the New South Wales Government to be represented in.

The Hon. PENNY SHARPE: Thank you for that. So there are 10 offices to be opened. We have 11 and you have announced another 10.

Ms BROWN: Yes.

The Hon. PENNY SHARPE: And from that answer, it sounds to me you have talked to me about six.

Ms BROWN: No, sorry, they are the six hub offices. We also have spoke locations, and the new ones are Frankfurt, Paris, Kuala Lumpur, Washington, Santiago, Toronto, Bangalore, Hong Kong and Beijing.

The Hon. PENNY SHARPE: Yes. Are they all open?

Ms BROWN: Not all of them, no. We are putting staff—for example, Frankfurt and Paris are going to be spoke locations and they will be open by the end of the year. I can run through all the other examples—

The Hon. PENNY SHARPE: If you just take that on notice and provide to the Committee a list of all of them, their current status and when they intend to be opened, that would be very useful.

Mr STUART AYRES: Yes, we can do that.

Ms BROWN: For completeness, I did that at the last hearing. So I will just re-provide that answer.

The Hon. PENNY SHARPE: So nothing else has opened since then. Is that what you are telling me?

Ms BROWN: Yes.

The Hon. PENNY SHARPE: That makes it easier.

Ms BROWN: Let me take that on notice though.

The Hon. PENNY SHARPE: An update it, even if it is the same information, that would be very helpful.

Ms BROWN: Thank you.

The Hon. PENNY SHARPE: So far, you have appointed only two: the trade commissioner for North Asia and the agent-general in the UK. What is the status of the other four?

Mr STUART AYRES: The Singapore and India positions are at the final stages of their recruitment. I would like to think that we would be in a position to be able to announce them before the end of the year. The New York position has been advertised but the recruitment process for that has not moved as quickly. A lot of that will be related to COVID. The last position is the China position.

Ms BROWN: That is right.

Mr STUART AYRES: Have we advertised?

Ms BROWN: We advertised the China position and we are now re-examining the applicants to see whether or not we would like to go back to market.

The Hon. PENNY SHARPE: So you have looked but you are going to have to go again. Do you have a time frame of when you think you will be appointing those?

Mr STUART AYRES: Sorry, just on the reference point that Ms Brown just made around China, we have not decided whether we will need to go back to market. We just have not had a chance, literally.

The Hon. PENNY SHARPE: But you might.

Mr STUART AYRES: I would describe that as in the early stages of the recruitment process.

The Hon. PENNY SHARPE: That is all early stages, so that does not give me much. Again, I am happy for you to do it on notice to provide when you expect them to be actually appointed?

Ms BROWN: Certainly.

The Hon. PENNY SHARPE: Can you give the Committee an outline of what the key performance indicators [KPIs] are for the senior trade commissioner in North Asia and the agent-general to the UK?

Ms BROWN: Certainly. Thanks, Ms Sharp. As you have insinuated, these are very senior positions, so we do expect to have strong KPIs on the individuals. In terms of the investment side of things, they have to identify business leads that align with New South Wales Government's social and economic priorities. They have to account manage and service these businesses, usually at the CEO level—hence why they are very senior appointments—to ensure that they land the deals for our State in terms of the inbound investment. They then also have to advise New South Wales businesses to sell to the regional market and connect New South Wales businesses directly with consumers and buyers. The bottom line is they have to deliver measurable economic returns for the targets.

The Hon. PENNY SHARPE: They have been given targets in all of those criteria?

Ms BROWN: That is correct. The targets are being developed.

The Hon. PENNY SHARPE: So they are not available for you to provide to us now?

Ms BROWN: No.

The Hon. PENNY SHARPE: We might have to come back to that. I am interested in when these offices open and understanding what the budget will be allocated for each of these offices, particularly in relation to functions but in a whole range of ways. Are you able to give us an idea about what the budget is for these offices—the budget that is not accommodation and those things? I want to know how much you will be spending on functions and those kinds of things. Can you tell us what is attached to those?

Ms BROWN: What I can say is that the budget is \$128.9 million to expand the international network. I will have to take on notice whether or not we have a breakdown between office accommodation and things like industry events and connection and networking activities.

The Hon. PENNY SHARPE: We would really like a breakdown. We have asked these questions on notice. That information has not been provided and we have been referred to the annual report, and all we get is that global figure. We are looking for a breakdown by office of as many of the different aspects of that budget.

Ms BROWN: Let me take that on notice.

The Hon. MARK LATHAM: Minister, just in that discussion you had with Mr Primrose about passenger numbers on the St Marys metro, are you aware that the metro business case states that at peak loading it will only have 11 per cent capacity one way?

Mr STUART AYRES: I do not know the exact number about the capacity, I will take your word for it, but my expectation is that if you construct the rail line between St Marys and Western Sydney Airport at this particular time, in fact in the early stages of the operating of the airport, with so few areas between the airport and an existing rail line developed, you are always going to have relatively low, quite low—sub-20 per cent—patronage levels because the primary driver of the patronage in the early stages of the rail line will be the airport.

The Hon. MARK LATHAM: So you are spending \$11 billion on a rail line that will be very poorly utilised right from the beginning. That is what you are saying.

Mr STUART AYRES: I am saying that at the beginning it will always have lower patronage than capacity. My expectation is as western Sydney continues to grow, as more people live in the areas that are currently either greenfield sites—there are a lot of areas that will not be developed but there are a lot of areas that will need to be developed. Western Sydney, we know, will have to absorb a larger percentage of Sydney's growth to what has largely happened for the last, I will call it, 200 years. We have migrated further west, driven by topography. We now have got to a point that between effectively south of the M4, through the aerotropolis area down towards the Camden LGA where you pick up the south-west growth sectors—places like Oran Park and Harrington Park—one area where the greater population will need to expand will be in this location.

So my expectation is that as the population in those areas expands so too will be the patronage on the rail line. What I do not want to do though is do what happened in north-west Sydney where we had seas of houses rezoned by government after government and people who lived in north-west Sydney had to wait a century for a rail line that J. J. Bradfield put on the map 100 years ago.

The Hon. MARK LATHAM: The areas you are talking about though, north of the Badgerys Creek airport site historically, have been part of the broader western Sydney employment area, have they not? And something like the science park is a mixed-use zoning for science, technology and employment-type enterprises. So you are not going to get a lot of housing development at the Luddenham metro station site, are you?

Mr STUART AYRES: No. The Sydney Science Park site, which was rezoned originally by Penrith council and had a mixed-use zoning and a medium-density housing zoning was put on that site, was maintained because that was ahead of the Government's rezoning of the 11,000 hectares, so they maintained their existing zoning. They have got a medium-density housing zoning as part of their mixed use zonings that are on that site, but my expectation is that over time, with that rail line being developed in places like Orchard Hills, you will inevitably see changes of land use that will come along the rail corridor.

The Hon. MARK LATHAM: I am asking about Luddenham, where the original approval was for 3,400 dwellings at the Sydney Science Park for business executives, student accommodation. It was not really seen as a housing estate, was it? And it is linked to a trigger where they need to have a certain floor space of commercial development before the 3,400 dwellings can even be contemplated. So Luddenham is not going to service housing, is it?

Mr STUART AYRES: You are talking about a relatively small parcel of land. It is large as a single owner, but across—

The Hon. MARK LATHAM: Is it small or large? It is large.

Mr STUART AYRES: I think any person—

The Hon. MARK LATHAM: And you are planning to build the Luddenham metro site to service the Sydney Science Park, are you not?

Mr STUART AYRES: No. We are planning to build a train station at Luddenham because it is an appropriately located site for a train station between Orchard Hills and the airport. The Sydney Science Park site had already gone through a rezoning. It does have provision for housing on it; it also has other mixed-use requirements, but other areas along that rail corridor will eventually see land use changes. It is the same as what has happened in the north-west, it is the same as what has happened as we have released land for commercial and residential and industrial uses right across the city's development.

The Hon. MARK LATHAM: As a local member and Minister you have been very supportive of the Sydney Science Park development, have you not, as originally put forward in the planning proposal to Penrith council and to the State Government?

Mr STUART AYRES: Yes, I have been.

The Hon. MARK LATHAM: Are you disappointed that in two submissions now to the Department of Planning, Industry and Environment [DPIE] they are trying to walk back the science, technology and employment components to move to 30,000 detached housing lots to turn it into just another western Sydney housing estate?

Mr STUART AYRES: I think a proponent has got the legal capacity to make submissions along those lines. I think that site has always been a good site to have mixed-use activity there, but that is entirely up to the proponent about how they continue to proceed inside the planning system. My expectation though is that on that site, like what we will look to do right across the aerotropolis and, over the longer term, the space between the aerotropolis and particularly the M4 corridor, is to provide a diversity of housing and employment opportunities that take account of the land and topography that exists in this area.

The Hon. MARK LATHAM: But the science park was not about housing, was it? It was supposed to be science, technology, employment, jobs. Do you support the planning Minister, who has told Celestino, "Be honest to your original proposal. You are not going to get an expansion of the 3,400 dwellings to 30,000"—he is going to stick to 3,400 and hold them to the original deal?

Mr STUART AYRES: I am very comfortable with the Department of Planning and the Minister holding property owners accountable. I have no problem with that.

The Hon. MARK LATHAM: Are you disappointed that the Sydney Science Park looks like a lemon; they have not delivered on any of their commitments about jobs? The Baiada national headquarters was not built for 2019; the STEM school was supposed to open this year, it has been abandoned; the Westmead research agreement has now expired, according to Minister Hazzard; the CSIRO is going to the aerotropolis core at Bradfield; and the Transport for NSW autonomous taxi research centre is not going ahead. This is a complete disaster, is it not? There is nothing going to happen at the Sydney Science Park other than you building a white elephant Luddenham metro station.

Mr STUART AYRES: Well, Mr Latham, the land there is not owned by the Government; it is a private venture.

The Hon. MARK LATHAM: I am asking, are you, as a previous strong supporter of this development, disappointed with the way in which it is shaping up as an attempt to walk back to just another housing estate with no delivery of the more than 10,000 jobs that were initially promised? Are you disappointed with that?

Mr STUART AYRES: I would hope that what happens at the Sydney Science Park still allows for mixed-use development, job creation and an appropriate amount of residential property.

The Hon. MARK LATHAM: Is there any sign of that?

Mr STUART AYRES: I think there is sign of that. The reason why I think there is sign of that is because we have undertaken quite a substantial rezoning of thousands of hectares of land. There is no doubt that as Celestino were promoting their site, they were definitely earlier than many other people. Penrith council had rezoned them before we started the rezoning exercise on the aerotropolis land, before we had even created the authority. Were they trying to develop something before there was enough market demand or even the capacity for infrastructure to be delivered there? That is definitely possible. But I am not going to curtail or suggest that people who own land cannot bring forward proposals.

The Hon. MARK LATHAM: There is nothing to curtail. There is nothing on the Celestino website of any commercial partner. The only investment they have got for their site is the Luddenham station as part of the \$11 billion metro line and the \$200 million from Sydney Water. You have been a supporter of that project. What is your understanding historically of the first time the Government committed to the Luddenham metro for Celestino?

Mr STUART AYRES: I reject the proposition that the Government committed to a Luddenham train station for Celestino. I do not think that is appropriate.

The Hon. MARK LATHAM: On what basis do you reject that proposition?

Mr STUART AYRES: There are two train stops on the airport site. I will go back even further. There is a site on the Aerotropolis Core, a train station literally right in the middle of the Bradfield City. It is there because that is the centre of that urban development to the south-east of the airport. There are two train station sites on the airport as per our agreement with the Commonwealth—one for international and one for domestic. Then you have Elizabeth Drive in front of the airport. I know you know this site well.

The Hon. MARK LATHAM: I know the route of the metro, but I am asking you: It is your proposition that the Government did not commit or make any commitments to Celestino for a rail station on their land, now known as the Sydney Science Park, up until it was announced last year. Is that what you are saying?

Mr STUART AYRES: Yes, the Government undertook its study—

The Hon. MARK LATHAM: Are you aware of a town planning consultancy report prepared by Sydney Metro that states in its conclusion as follows:

Preliminary discussions between Celestino and the New South Wales Government about the rail line and station appear to have occurred prior to December 2013.

Seemingly, as early as 2011.

Mr STUART AYRES: No, I am not aware of that study.

The Hon. MARK LATHAM: Have you any explanation why this town planning consultant going through the records for Sydney Metro would say this was promised in the very early days of this Coalition Government before the land was rezoned, before the airport was announced for construction?

Mr STUART AYRES: I have absolutely no knowledge and I cannot put myself in the mind of the person who has written that report.

The Hon. MARK LATHAM: You have no knowledge of that. Further, you are unaware of his other conclusion that the information he cited informed the location of a rail station on the subject land. It appears likely that the strategic planning decision to locate the local station was derived from a landowner development commitment to government to deliver a Sydney Science Park. It seems from this report that around 2012 there was a commitment from this State Government that if a Sydney Science Park went ahead, they would get a station. That is nine years ago.

Mr STUART AYRES: Mr Latham, I do not have any—

The Hon. MARK LATHAM: You are totally unaware of that?

Mr STUART AYRES: I have no suggestion or I think it is almost inappropriate to suggest that the Government was choosing to put a station at Luddenham—

The Hon. MARK LATHAM: I am only reading what the independent town planning consultant reports say. When was the first time you heard of a government suggestion or a commitment to build the metro station at Luddenham for Celestino?

Mr STUART AYRES: Sorry, I am going to keep rejecting the proposition the Government is building a train line for Celestino. The site of Luddenham was chosen by the department of transport after it had undertaken the rail needs study. It determined that it was going to build a rail line between St Marys and the airport. It is pretty much a straight line from St Marys to the airport. There are two town populations. They are quite dispersed because these are largely small lot agricultural landholdings. At Orchard Hills, south of the M4, the next suburb is Luddenham.

The Hon. MARK LATHAM: What about the Transport for NSW study in 2014? That study in 2014, put together by the planning experts, showed that the rail line you are talking about—you keep running on the straight line thesis—should run on the eastern side of the northern road and then make a sharp eastern movement towards Orchard Hills and bypass the Celestino land altogether. You are unaware of that?

Mr STUART AYRES: I am not familiar with that.

The Hon. MARK LATHAM: Are you aware that in November Andrew Miller, the Acquisition Manager Property, Sydney West Airport Sydney Metro, answering this request for further information from the town planning consultant I mentioned, wrote as follows, "After a discussion with the corridors team", so there is Transport for NSW, "it is apparent there has been a continued dialogue between the landowner and Transport for NSW from 2013 to the current date regarding Sydney Science Park. It is considered there was a high expectation from the landowner that a station would be delivered to the Sydney Science Park." Can you explain why these documents are riddled with this commitment eight, nine years ago that Celestino would get a rail station?

Mr STUART AYRES: I think that is almost impossible to actively predict. As I said before, the decision to—

The Hon. MARK LATHAM: No, it is their expectation. It was Celestino's expectation.

The Hon. BEN FRANKLIN: Point of order: I understand Mr Latham enjoys a free flowing style of questioning, which is impressive, but the Minister has to be able to finish his sentence.

The CHAIR: I will rule on the point of order. We are allowed to have robust proceedings.

The Hon. BEN FRANKLIN: Indeed. That is why I have not jumped in until now.

The CHAIR: Question followed by answer. Minister?

Mr STUART AYRES: Mr Latham, we have said a number of times—and you have referenced the rail needs scoping study—the Government had not made a decision about where rail lines were going to go. It consulted with the community and engaged with the Commonwealth Government. There were a number of different options that were available. There was an ordering in which those options could have proceeded as well. Celestino may well have seen themselves geographically located literally to the north of the airport. If you were going to create a rail line that went from St Marys to the airport you were always going to be pretty close to the Celestino land. If they are projecting that as their expectation, that is years in advance of when the Government conducts the future needs rail study, engages the public, consults on multiple rail lines.

It is possible that the Government may have decided not to build a rail line. If the Commonwealth Government did not co-fund this rail line, would we have funded this rail line at this stage, given patronage levels will be low? We have taken the opportunity that has been presented by the Commonwealth Government's co-funding. We have done that. That funding makes that project more viable.

The Hon. MARK LATHAM: All I am saying is that there is a benefit to cost ratio of 0.75. There are paltry patronage levels to start with. It looks like a white elephant. There are documents saying it was promised in 2012 for a land developer who is not delivering any of the employment benefits and jobs for the region and is trying to roll back to a housing estate. This has to be the dodgiest looking land development in the history of western Sydney—which I know is a huge statement. But this is completely appalling, is it not?

The CHAIR: Minister, I will let you respond to that, but then we are at time.

Mr STUART AYRES: It is not the Government's development. If Celestino has taken a risk and has not been able to do its development, that is for it. What the New South Wales Government is delivering, and it is

co-funded by the Commonwealth, is a rail connection to St Marys. I do not mean to be too obvious about it, but south of St Marys there is Orchard Hills and there is Luddenham and there is Badgerys Creek. It stands to reason that you would put a train station at Luddenham and a train station at Orchard Hills.

The Hon. MARK LATHAM: That is your choice. You have done that.

Mr JUSTIN FIELD: Minister, in yet another leak regarding the Warragamba Dam project, a document titled *Managing a Flood Mitigation Zone at Warragamba Dam* was highlighted in *The Australian* recently. A quote from that article states:

The current statutory protections have been adequate given the dam's operating environment. However, this level of protection is inadequate in an operating environment which includes a flood mitigation function for Warragamba Dam.

The article goes on to say that legislation would be required to provide "complete statutory limitation of liability to the operator, its directors, officers and employees". Minister, do you acknowledge that you need to bring in additional legislation to enable Warragamba Dam to be operated as a flood mitigation dam?

Mr STUART AYRES: Yes, we will have to do that. We will have to change the statutory operating arrangements for the dam because we are creating airspace by raising the wall. On the current operating arrangement you are only allowed to store water in the dam; you cannot utilise the dam for flood mitigation purposes. If you increase the height of the wall and create airspace, if it rains, under the current legislation you would have to allow the water to stay in that airspace that you are building the entire dam wall for to mitigate against future floods. It would make absolutely no sense to spend the amount of money that we want to spend to create airspace to hold water back in the event of a flood, to then not change the legislation to allow the operator of the dam to maintain the airspace.

Mr JUSTIN FIELD: This talks about complete statutory limitation of liability; it is not talking about the operating rules, though I get that the two things are linked. This is talking about removing a liability on the Government and the dam operators in the event you make a wrong decision about the operating conditions, right?

Mr STUART AYRES: No, no. It is specifically referring to the liability of protecting an asset that is owned by the taxpayer, and that asset is its drinking water supply.

Mr JUSTIN FIELD: That is not clear by this document at all, Minister. It suggests that it is a liability for actions performed in making decisions about the operation of the dam. It suggests in that document that it is about potentially an incorrect decision that results in flooding downstream at a level that would otherwise not have occurred, and to protect the Government and the operators from liability from downstream property owners, business owners and whatever. Is that not the case?

Mr STUART AYRES: The legislation will need to be drafted to reflect the fact that you are now operating the dam in a dual fashion. A dam will need to do two things: It will need to store water and it will need to store water up to a height that is effectively consistent with where the level is now. When you raise the dam wall, you are raising the dam wall for the purposes of creating airspace. Right now the operation and function of the dam is designed entirely to protect Sydney's drinking water supply, so you have to change the legislation to allow the dam to have a dual purpose.

Mr JUSTIN FIELD: You are being cute with words here, Minister.

Mr STUART AYRES: No, I am not.

Mr JUSTIN FIELD: We are not talking about the operating rules for the dam. We are talking about this idea of having to put in place a statutory limitation of liability.

Mr STUART AYRES: It is about the protection of the asset. Any water that gets put into Warragamba Dam legally has to stay there. You cannot release that water unless you are releasing it to maintain the integrity of the dam. The reason why the dam spills is because if they do not open the floodgates and allow the dam to spill, you are creating a liability on the protection of the Sydney drinking water asset.

Mr JUSTIN FIELD: I guess what it will show us what this legislation will actually do is when we see the legislation. When will we see this legislation?

Mr STUART AYRES: First of all, the Government has to allow the public to consult on the EIS. It then has to make—

Mr JUSTIN FIELD: Before you do—

The Hon. BEN FRANKLIN: Justin, let him finish.

Mr JUSTIN FIELD: No, no. We will go around and around. That is the exact opposite argument to the one that you made in 2018 when you rushed in legislation before the last election to allow you to flood the national park in the event that this dam wall raising went ahead. The argument was put that we need to do this now to give us certainty that we can do it if we get approval. Now you are putting the total opposite argument.

Mr STUART AYRES: No, what I am suggesting is that if—I will work on the assumption that we all know how the Parliament works here. If the Government decides to present this legislation to the Parliament, it would be doing so on the basis that we would want to be able to protect Sydney's drinking water assets as well as run flood mitigation capacity. If there were members of the Parliament that wanted to vote against that and allow the dam to fill and utilise all of the airspace that we have just built—

Mr JUSTIN FIELD: We don't know what the legislation is going to say yet, so we will see, I guess.

Mr STUART AYRES: Indeed. It's just mind-boggling.

The Hon. PENNY SHARPE: The Agent-General position to the UK was scrapped in 1993 because it ended up being this massively wild, extravagant position. I think even former Premier John Fahey said it was a throwback to colonial days. What has changed in terms of your support for this position?

Mr STUART AYRES: I think it is probably fair to say that at the point in time at which the Agent-General post was removed, there was inappropriate expenditure by the person who was in that position. I think it is reasonable to say other States that have maintained their Agent-General positions have seen good benefit out of those roles. I accept that the position and the title of Agent-General is one of historical significance but, for all intents and purposes, agent-generals are trade commissioners. In that particular post they have a Commonwealth title. There is some heritage that is associated with that.

I think it should be presented very clearly here that this is a trade post that is there to facilitate investment opportunities into New South Wales and support New South Wales businesses to export their skills, services and produce into those markets. Specifically I think it is important that New South Wales has someone doing that role. In that particular market, where every other State who has one refers to that title as Agent-General, it would seem unusual to me—and, I would argue, quite confusing in that market—to try and present it as a different title.

The Hon. PENNY SHARPE: Does the Agent-General to London have a bigger budget than the other officers?

Mr STUART AYRES: I will take the budget breakdown on notice—

The Hon. PENNY SHARPE: I think we are getting that.

Mr STUART AYRES: —but I do not think there would be a substantial difference. It would depend on the size of the office that they are running.

The Hon. PENNY SHARPE: Sure. Thanks for that. The NSW Trade Statement released earlier this month sets a very high target of increasing New South Wales exports to \$130 billion by 2024. Is that correct?

Mr STUART AYRES: Yes, I think that is accurate.

The Hon. PENNY SHARPE: Are you familiar with the targets that were set by the Government in the NSW Trade and Investment Action Plan 2017-18?

Mr STUART AYRES: I cannot recall them, to be frank with you, Ms Sharpe.

The Hon. PENNY SHARPE: It is quite important, Minister, actually understanding whether the targets that were previously set just a couple of years ago were even met before you announce a new one. I would have thought—

Mr STUART AYRES: I am not saying it is not important. I am just saying I cannot recall what those numbers were.

The Hon. PENNY SHARPE: Okay. I am talking about the NSW Trade and Investment Action Plan 2017-18, which set a target to grow 15,000 investment-related jobs per annum by 2020. Are you able to tell me how many investment-related jobs were created as a result of that?

Mr STUART AYRES: What I can tell you is that there were 250,000 jobs created over that four-year period in New South Wales.

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

Mr STUART AYRES: No, no. I am saying—

The Hon. PENNY SHARPE: Look, this is a very specific set of questions. You had a strategy that had a lot of targets in it. There is no information available about whether any of those targets were met, or indeed even what happened to them. If you have met them, great, but you have not told anyone about it.

Mr STUART AYRES: I will take on notice and provide you with any information that reports back against that target.

The Hon. PENNY SHARPE: There was another target that said that you would have over 16,000 small and medium-sized enterprises [SMEs] exporting from New South Wales by 2020. Can you give us an update on that? Does Ms Brown have information on this?

Mr STUART AYRES: I will take that on notice again. That will just be a factual number. We can provide that to you on notice.

The Hon. PENNY SHARPE: That would be terrific. There was another target set to grow exports from food and fibre from \$7.4 billion to \$10 billion by 2020. Can you also let us know what the actual final figures were for that?

Mr STUART AYRES: Yes.

The Hon. PENNY SHARPE: In relation to your most recent announcement, what work was undertaken to evaluate and assess the effectiveness of the 2017-18 action plan?

Mr STUART AYRES: I might just ask Ms Kylie Bell if she wants to provide an answer there, given my short time frame in this portfolio.

The Hon. PENNY SHARPE: Sure.

Ms BELL: Can you hear me?

The CHAIR: Yes.

Ms BELL: I don't know if you can see me on the screen, but I am here in person. What we will do is give you a quick breakdown of the results achieved. We have, for example, hit 16,000 SME exporters in New South Wales. Last year we created over 7,500 jobs from investment, so we can break that down for you. In moving forward, we have done analysis by industry of where we think we will be able to grow in the next four years.

The Hon. PENNY SHARPE: Thanks. The question that I am really asking is: Did we meet the targets that were there, and how much did that feed into the new one? The frustration from the Opposition in relation to this is that we have previously asked questions about this and have been given zero information, which is why I am raising it now. It really goes to whether you met them in the last two years and whether we should believe the targets that you have set in the new one. That is why we are asking those questions.

Ms BELL: Sure.

The Hon. PENNY SHARPE: The other difference is that the new Global NSW Strategy actually does not include any specific targets. Are you able to tell me whether there are specific targets built into the new strategy and, if so, what they are?

Ms BELL: When you talk about the Global NSW Strategy, do you refer to the strategy that was prepared by the Government in 2019? There were no targets attached to that.

The Hon. PENNY SHARPE: Yes, that is right. That is my information. So there are no targets attached to that?

Ms BELL: That is correct.

The Hon. PENNY SHARPE: Right. And there are no internal targets?

Ms BELL: It is more a framework which the Government would operate in as we moved forward at the time.

The Hon. PENNY SHARPE: Right. So you had a strategy that had targets; we do not know whether you met them. You have got a new strategy—

Ms BELL: No. My answer is actually that we have met the large majority of them, and we can give you a full breakdown of those targets from 2017-18 on notice.

Mr STUART AYRES: I am not sure whether you heard it, but Ms Bell confirmed that we had created 16,000 SMEs.

The Hon. PENNY SHARPE: I heard the one. I want to hear all of them. As I said, we just have not been provided with the information.

Mr STUART AYRES: I am more than happy to provide those on notice. The Global NSW strategy was the strategy that was about demonstrating an expanded footprint with the expansion of the New South Wales overseas network to be able to support businesses exporting to additional markets and also attract more investment into New South Wales.

The Hon. PENNY SHARPE: I understand. I am going to come to that. So you will provide all of that information for us on notice. I want to go back to asking some more questions about the trade offices and the way in which they operate. I suppose it is coming back to putting things on notice. We are very keen to understand how the expenses operate for these trade offices and whether there are a number of things that are included in the budget. Thank you, Ms Brown; you said that you would provide some information to us on notice. I particularly want to understand the budget for catering, the budget for flowers, the budget for hospitality, the budget for limousines—

The Hon. CATHERINE CUSACK: Penny.

The Hon. PENNY SHARPE: If you knew the excess of which some of these—why the original agent-general was closed down in 1993, you would understand why we are asking that.

The Hon. CATHERINE CUSACK: It was actually the Carr Government that started re-establishing these positions.

The CHAIR: Order! We are not having this debate. The question is to the Minister. The Hon. Penny Sharpe can finish the question, and then we will hear from the Minister.

The Hon. PENNY SHARPE: I thank Ms Brown. She said that she was going to provide it, but I want to be specific about it because—

The Hon. CATHERINE CUSACK: The budget for flowers? Are you serious?

The Hon. PENNY SHARPE: Yes, I am serious. I think taxpayers want to know how much they are spending on flowers in our trade offices. I do not think that is an unreasonable question.

Mr STUART AYRES: I am happy to provide the information that is available on notice. The one thing I would point out here is that this is an expansion of a network, so many of these offices have not been established. Where we have had officers operating, in a lot of cases they have been operating as an embedded person in existing Austrade arrangements. I just want to be clear.

The Hon. PENNY SHARPE: That is okay. If you do not have a budget for the new ones, that is fine. But you have got the existing ones, which I am also asking about.

Mr STUART AYRES: Yes.

The Hon. PENNY SHARPE: I am particularly interested in entertainment and entertainment reimbursement, gifts, wellbeing programs, fitness programs, parking and parking fines.

The Hon. CATHERINE CUSACK: Parking fines?

The Hon. PENNY SHARPE: Yes. If there is a trade commissioner who has got a bunch of parking fines that they expect the New South Wales taxpayer to pay for, I do not think that is an unreasonable thing.

The Hon. CATHERINE CUSACK: Then the upper House will root that out.

The CHAIR: We are not going to continue with this. The questions are to the Minister, and he can answer.

The Hon. PENNY SHARPE: I think we are taking that on notice, aren't we? I will move on.

Ms BELL: I am happy to.

The Hon. PENNY SHARPE: Thank you, Ms Bell. I want to ask about the Global NSW strategy. Again, I know that you are new to the portfolio, Minister, so it might not be one for you. It might be one for Ms Bell. A media release was issued by the former Minister for Trade and Industry on 22 June this year. It stated that the Government had a record spend on industry and trade in the 2021-22 budget. Do you know how much money was included in the budget over four years for industry and trade?

Ms BROWN: It is \$261.4 million.

The Hon. MARK LATHAM: That is a good thing.

The Hon. PENNY SHARPE: Yes. I am not complaining about it. In November 2020 the Government sent out a media release announcing a record trade investment in the 2020-21 budget. Do you know how much money was included over that four-year period for trade and industry?

Ms BELL: I think the figure is 273.6 because it is a different financial year. The last budget was over four years previously and the next one is [inaudible] and a small increase over the next four years.

The Hon. PENNY SHARPE: So you are still contending that it is a record spend?

Ms BELL: Because it is 273 and last time it was 261.

The Hon. PENNY SHARPE: Yes, 2020-21 versus 2021-22.

Ms BELL: It is over a four-year period, and the latest [audio malfunction].

Mr STUART AYRES: I think what Ms Bell is trying to say is that in the first year of a four-year period, the government forecast has been \$263 million, and then the following year it forecast to spend \$271 million over the next four years.

The Hon. PENNY SHARPE: Thank you. I have got some COVID questions. Obviously, the 12 local government areas of concern was extremely difficult for many and there were a range of different decisions made in relation to whether people were locked down or not or subject to curfew or not. Can you explain to us the decision-making around the Penrith LGA?

Mr STUART AYRES: Yes, I can. At the particular point in time, we had a number of LGAs that had become referred to as LGAs of concern. Those LGAs were put into that category on the recommendation of the New South Wales public health team that was advising the Government on its COVID response. It was a mechanism that was being put in place to mitigate the risk of COVID spread around the rest of Greater Sydney because these LGAs represented quite substantially the highest concentration of infection. As the infections spread from one LGA to the next, you started to get to the peri-urban locations that existed on the outer edge of Sydney.

When the Penrith LGA saw seepage from the Blacktown LGA into the eastern edge, particularly around the St Marys area, NSW Health considered the size of the Penrith LGA to be substantially larger than LGAs like Canterbury Bankstown or even Burwood or Strathfield. They were looking at a way of not putting the entire LGA into the area of restriction. I was asked for some advice on this. My suggestion to them was that there was a natural border in the Penrith LGA—that was The Northern Road—and, if they were of a view that they did not want to put the entire Penrith LGA into an area of concern, that a logical place to draw that line would have been The Northern Road. Health listened to that but chose a different boundary. I understand that boundary to be more in line with the east ward of the Penrith LGA. That was the recommendation that was put to the Government.

The Hon. PENNY SHARPE: In relation to the Campbelltown LGA, there was a lot of controversy and unhappiness in the community given that case numbers around Camden and Wollondilly grew during the pandemic to be larger than what was happening in Campbelltown, yet those two local government areas were not locked down whereas Campbelltown was. Do you want to explain that difference?

Mr STUART AYRES: The decisions to put councils into local government area of concern status, which had the primary effect of restricting the ability to leave the LGA to work unless you were on the authorised workers list—this was considered a critical element of the public health response to reduce mobility around the city. It was also considered by Health as a way of driving behavioural change in an area that was suffering from the most intense infection rate. I think it is fair to say that as the virus spread through areas, the health benefit of tipping councils into those areas became more diminished, so Health was more reluctant to put councils in.

The Hon. PENNY SHARPE: Are you basically saying that Campbelltown was in so it had to stay in, but Camden and Wollondilly did not have to because it was rolling—

Mr STUART AYRES: No.

The Hon. PENNY SHARPE: —and we would draw a line if the Campbelltown residents versus—

Mr STUART AYRES: The other point that I would flag here is that the density of population in Camden and Wollondilly is substantially lower, so another determining factor here was the rate of infection per 100,000 people. The rate of infection in those locations, like Campbelltown, was much, much higher on a rate per 100,000 than what it was in the less densely populated, more urban locations, so the risk of spread in those locations was lower. I accept that the raw number will change. There absolutely were times—in fact, it also existed in the eastern half of the city, particularly towards the back end of those LGAs of concern, where the peak had happened in those LGAs and their numbers had started to come down but the "LGA of concern" status remained as a policy setting when other LGAs had gone past them. That definitely created concern.

I think this is the single hardest public policy decision that I have made or been part of in my entire time in Parliament—to force restrictions across a population. But I am comfortable in that decision on the basis that I have no doubt in my mind that the targeted nature of our public health orders and the restrictions we put in place curtailed the spread of the virus and also focused the entire community's behaviour in the areas that were most at risk. My counterpoint to that would be Melbourne, where I think the population struggled over time, where areas that had relatively low infection were subject to the same orders or the same restrictions as areas with relatively high infection. I think over time that wore the population in Melbourne down. I think that is one of the reasons why, even with a higher vaccination rate at the start of the Delta outbreak, they had higher mobility and lower compliance. I accept that that is my personal view but, having lived this for the last 20 months and seen this data in detail, I think it is a reasonable comparison.

The Hon. PENNY SHARPE: So you are not concerned that the areas that were locked down were predominantly Labor areas, and all of those other areas somehow got different treatment as time went on? You are saying that it was absolutely nothing to do with the fact that they were predominantly Labor electorates versus the Liberal electorates that then escaped actually having further lockdowns—or basically kept the Labor ones in longer?

Mr STUART AYRES: I cannot be clearer in my presentation of my response to this Committee that politics and local seats did not come into the consideration of our public health response once. In fact, the only time that I even remotely consider that it was something that entered my mind was the recognition that when Health was presenting a split LGA in Penrith that it would create a political perception that my seat was favoured, and so I was concerned about that. I also think that Health formed the view that it was difficult to split LGAs after the Penrith experience and so never recommended it again.

The Hon. PENNY SHARPE: Thanks for that. Minister, are you able to tell us, since 2020—so, the beginning of the pandemic—how many jobs in western Sydney have been lost?

Mr STUART AYRES: There have been 195,000 jobs lost across the State. I think there are about 80,000 jobs that have been lost in the last 12 months—September to September 2020-21—across western Sydney. I think the latest jobs data is a tick over 80,000.

The Hon. MARK LATHAM: Minister, as a local member supporting the Sydney Science Park planning proposal circa 2015, were you aware of the DPIE and also the Sydney Water advice that this was an out-of-sequence development? It was not contiguous to any other urban area and, under government policy then and now, it needed to be a "at no cost to Government" planning proposal?

Mr STUART AYRES: I was not aware of that at the time, but I have seen remarks that highlight what the Sydney Water policy settings were at the time.

The Hon. MARK LATHAM: So you accept that in September 2015 Sydney Water said this should be at no cost to Government to provide water reticulated services at the Sydney Science Park?

Mr STUART AYRES: I do not know exactly the dates and when that was first presented, but it was also about sequencing of activity in that part of Sydney.

The Hon. MARK LATHAM: Do you recall your announcement with Minister Pavey at the Sydney Science Park a week before Christmas last year, delivering what is described in internal Sydney Water documents as a \$200 million investment for the benefit of the Sydney Science Park water facilities?

Mr STUART AYRES: I am aware that I made an announcement with Minister Pavey. Whilst I think it would be appropriate to ask more detailed operational questions to Minister Pavey, what is important for this Committee is to recognise that a number of things did change in western Sydney. One is the rezoning of the aerotropolis. When the Sydney Science Park planning proposals first went before Penrith council in what would have been the very late 2000s and early 2000-teens—whatever we call them—they were taking those proposals forward. It would almost certainly have been out of sequence because there were no other planning proposals around. I can understand that Sydney Water, if it had a policy position, would have said that risk associated with delivery of infrastructure should be borne by a developer if they want to do that out of sequence. Two substantive things happened subsequent to that. One is that the New South Wales Government rezoned 11,000 hectares of land in the aerotropolis, and the Commonwealth Government committed to building a new western Sydney international airport with about \$5 billion worth of investment.

Those two things categorically changed the development time frame and the development footprint that would have existed in western Sydney. My understanding, Mr Latham, is that that immediately triggered a different policy setting for Sydney Water. Whilst I am not familiar with all of the detail of their commercial arrangements, I do understand that there are upfront costs that are still borne by a developer—in this case,

Celestino—and Sydney Water reimburses that developer after the risk of the development has been removed. The other thing I also understand is the infrastructure that they are proposing to build on the site also has benefits to other parts of western Sydney, particularly the aerotropolis. Obviously now that that area is going to be developed earlier than what had been foreshadowed in the 2010 to 2013-14 period, I think it seems appropriate that Sydney Water then recalibrates where they are putting their investment.

The Hon. MARK LATHAM: So you are arguing that retrospectively it is no longer out of sequence. But when you were standing there in that empty paddock in the week before Christmas last year, did you see any areas that were urban-developed where Sydney Water had provided facilities, or was this the only one? It's all vacant, isn't it?

Mr STUART AYRES: It is all what, sorry?

The Hon. MARK LATHAM: It is all vacant land.

Mr STUART AYRES: The Sydney Science Park land is vacant, yes.

The Hon. MARK LATHAM: What exactly is the \$200 million water investment servicing at that site?

Mr STUART AYRES: I think that is a question better asked to Sydney Water.

The Hon. MARK LATHAM: It is a good question, isn't it? You were there making the announcement. What did you think it was servicing when you made the announcement?

The Hon. MARK LATHAM: I think it is servicing a future development on that site, but it also—the very nature of the provision of water services means that you have to create water treatment plants and trunk drainage infrastructure. In this part of the world, you have to draw—I do not want to make this basic, but you have to draw that water from existing infrastructure somewhere. So you have to make a choice about where that infrastructure goes so that you can then connect the next round of infrastructure. This site is just to the north of the airport site. It does make strategic sense that you would do water infrastructure on this site to also provide—my words, and for all the water specialists watching this hearing today, please excuse me but I will call it a staging point, where you will be able to take other water treatment from that site. The other point I would say is that in this particular circumstance the Celestino land was rezoned by Penrith council. When we did the aerotropolis rezoning we did not choose to rezone that land again, and so it already had a rezoning that the other parts of the aerotropolis did not have, that we have—

The Hon. MARK LATHAM: Yes, it was out of sequence.

Mr STUART AYRES: Yes, but we have also announced 11,000 hectares to be rezoned, and we have gone through that rezoning process now.

The Hon. MARK LATHAM: Given it was out of sequence and Sydney Water said that it should be at no cost to the Government, why do you think anyone involved with the New South Wales Government, including Sydney Water, should be paying for any facilities on a site owned by a billionaire? Celestino are effectively billionaires owning Steggles, Lilydale and Baiada. They have made billions of dollars out of chicken meat production, and good luck to them at that level. But why should anyone in western Sydney look at this site and think there is a government contribution to these billionaires and their water facility on vacant land?

Mr STUART AYRES: The first point I would say is the Government still provides water facilities to the population, regardless of who the developer is. In fact, the way a lot of this water infrastructure is delivered is that if a development is happening out of sequence, the up-front cost or risk for that development is borne by the developer, and then Sydney Water, as I understand it, reimburses some of those costs back to the developer because they took the risk on the delivery. If the development arrives, then the water services are supporting a population that has evolved. That is what I understand is the circumstance that is still happening here. There is an up-front cost to Celestino and they are carrying some risk.

But what has also changed, and had changed when Minister Pavey and I made this announcement, was for Sydney Water, you had gone from in the early part of the decade—how do I describe it—where there was a clouded development pathway. You did not know what was going to happen in this part of the world. In fact, that Sydney Science Park would have looked like quite an isolated parcel of land. If you fast-forward to 2019, there is a new rail line being built and co-funded by the State Government and the Commonwealth Government. There is a new airport that is under construction. There is 11,000 hectares of land that has been rezoned. The New South Wales Government is undertaking a substantial amount of consultation around rezonings and land use planning. So Sydney Water, self-evidently in my mind, has recognised that the development footprint—not all residential—is vastly different in 2019 to what it was in 2011 or 2013 or even when they first took their proposal to—

The Hon. MARK LATHAM: But other than the rail line and station you are building for them, what is the development on the Sydney Science Park site? All these other projects have collapsed. On their website they do not have a single commercial partner. What is the development you just mentioned?

Mr STUART AYRES: That is the same right across, right at this particular—

The Hon. MARK LATHAM: They are trapped by a housing trigger. They can't do their housing because they have got no commercial development. They have got no research. They have got no science. They have got no technology. All of these deals with the State Government have fallen over. What is the development on that site that justifies this effective donation of Sydney Water money?

Mr STUART AYRES: I am going to reject the proposition of a donation. I just do not think it is a fair—

The Hon. MARK LATHAM: What is the development on the site that you are talking about?

Mr STUART AYRES: They have approval, Mr Latham, for the residential and mixed-use developments.

The Hon. MARK LATHAM: No, they do not. Do you understand that there is a development trigger on them that until they get to a certain floor space commercial they cannot develop any of the 3,400 dwellings?

Mr STUART AYRES: No, but my point is that is where their approval is. They have that approval. They are allowed—

The Hon. MARK LATHAM: Where else in western Sydney, because someone has got an approval, are you announcing Sydney Water contributions to the development that shows no sign of happening? Where else?

Mr STUART AYRES: Sorry, I do not think there is anywhere else that has—

The Hon. MARK LATHAM: No? No-one else?

The Hon. BEN FRANKLIN: Let him finish the sentence.

Mr STUART AYRES: I come back to my point about what has changed substantially, that the Government rezoned, in the largest single rezoning probably in our State's history, 11,500 hectares of land. It created new zonings. It has then gone into precinct planning work, which by its very nature was contentious. All I am saying is—

The Hon. MARK LATHAM: That is the same answer you gave five minutes ago.

Mr STUART AYRES: No, but it is the same principle. I don't think you can say—I have no problem with you interrogating and asking questions of Government Ministers about the time frames and why agencies of the government are making decisions with public funds. But I don't think you cannot accept that the rezoning of 11,000 hectares of land, the creation of a new international airport, new public infrastructure around transport, new roads has not meant that Sydney Water should reconsider their development time frames. I completely accept that back in—

The Hon. MARK LATHAM: We are getting the Standing Order 52 documents and we will see what they show. Minister, what involvement have you had with the alignment of the Outer Sydney Orbital through the Sydney Science Park site?

Mr STUART AYRES: I took out for public consultation around 192 kilometres, I think, of corridor reservations. They included rail and road. It is one of the largest forms of public consultation we have done on rail corridor reservations. A team in Transport had done the work around those alignments and we went out and consulted on them. We have gazetted some of those corridors but not others, and some of them, by their very nature, are quite contentious.

The Hon. MARK LATHAM: But in your support and early understanding of the Sydney Science Park planning proposal, were you aware of the consistent Transport for NSW advanced planning that cut through the Sydney Science Park site two or three times, depending on the plan, consistently between 2013 and 2016 and that they always had a problem with the Sydney Science Park? They were going to be bisected by the Outer Sydney Orbital corridor?

Mr STUART AYRES: The corridor that we published and consulted on publicly, and there is quite close alignment between it and the rail line, they do separate things, but it is almost a straight line from the M4 at Werrington down towards Elizabeth Drive and then—obviously it cannot go through the airport—the corridor that we consulted on publicly swept around outside the airport and then made its way down to Camden.

The Hon. MARK LATHAM: Heading off in the other direction, in a northerly direction, when it passes to the west of the airport, it does not follow your straight line theory, does it? Because even though it was going to pass through the Sydney Science Park site, it now does an S-bend east when it passes north of the Badgerys Creek airport site and now misses the Sydney Science Park, doesn't it? It passes near the Twin Creeks residential area?

Mr STUART AYRES: I think it goes through—the site is—there is an interchange that is still out available because we have not gazetted this corridor. There is quite a large interchange where the proposed M12 and this Outer Sydney Orbital meet north of the airport.

The Hon. MARK LATHAM: It is not your straight line theory. It is a big S-bend that has disadvantaged landowners to the south of the Celestino site. What involvement did you have in Sydney Science Park either being lobbied or assisting them in getting the orbital route off their land?

Mr STUART AYRES: No, I did not partake in any lobbying activity.

The Hon. MARK LATHAM: No?

Mr STUART AYRES: Sorry, the corridor alignment and particularly that interchange, there are very few locations where you can have an entry point into the airport, what is effectively a motorway, an M7-grade road, on the outer edge of Sydney to interact with a motorway-grade road coming along the M12 corridor.

The Hon. MARK LATHAM: No, that is right. There are only two places really in the final plan. You could either go to the north of the Sydney Science Park site, just under the defence land at Orchard Hills, or you could bisect the site on the eastern side. Are you aware that on 11 December 2015 Jeremy Spinak of Celestino emailed Geoff Cahill, at the Corridor Preservation of Transport for NSW, lobbying for Outer Sydney Orbital routes well away from the Sydney Science Park? He wanted it to pass through the defence land at Orchard Hills. He said "There would be great merit in discussing the matter with the Federal Minister for Defence who is aware and supportive of the Sydney Science Park project." Were you involved in those meetings to try to get it go through the defence land under the guidance of the then Minister for Defence?

Mr STUART AYRES: No.

The Hon. MARK LATHAM: You are completely unaware?

Mr STUART AYRES: Any landowner can engage in that type of—in fact, based on what you have just presented there, it sounds to me like any landowner who has been engaged with Transport around future corridor planning. Geoff Cahill was the person who was leading that work for the Department of Transport and he was heavily engaged with people in that community at the time.

The Hon. MARK LATHAM: You had no discussion with the Minister for Defence about this proposal?

Mr STUART AYRES: No.

The Hon. MARK LATHAM: None whatsoever?

Mr STUART AYRES: No.

The CHAIR: Mr Justin Field will ask questions now.

Mr JUSTIN FIELD: I might just go back to this issue of limitation for liability. I am sure you have seen this document. Water NSW is seeking an amendment to its enabling legislation to provide a complete statutory limitation of liability to the operator and its employees. It cites the reasons being "the increased risk faced by Water NSW relate to negligence, a duty to warn, trespass, nuisance, breach of statutory duty and vicarious liability". So we are not talking about legislation to enable the dam to be operated as flood mitigation; we are talking about Water NSW being concerned that in the operation of the dam for flood mitigation, it results in an impact on a private property owner or someone downstream who feels they could sue the government, essentially, for impacts. That is what we are talking about here, right?

Mr STUART AYRES: These two things are not separate, Mr Field. Once you change the operating requirements of the dam, both the operating arrangement and the liability associated with that need to be covered in legislation.

Mr JUSTIN FIELD: This dam is about reducing flood risk, you say, but landholders downstream are now left in a situation where you are saying, "We are so confident about the flood mitigation capacity of this dam that we want to remove your ability to sue the Government for any impacts if we get its management wrong."

Mr STUART AYRES: The operating requirements of the dam will require you to hold water back. They will have operating requirements and my expectation is that people will need to operate the dam within the

requirements set out by it. I cannot see a scenario where, if a person or the operator of the dam does not abide by that, they have all of their liabilities removed—

Mr JUSTIN FIELD: That is exactly what this document is requesting.

Mr STUART AYRES: No, it may well be requesting that it is mitigated, but it is not saying that you should remove it. By the way, the Parliament gets an opportunity to determine that. What I do not like about your line of questioning is that you are trying to use the legal operating arrangements of the dam as a way to suggest that the dam will not have any impact on flood mitigation downstream.

Mr JUSTIN FIELD: They are your words, not mine; I am not suggesting that at all, Minister. I am happy to move on and we will wait until we see the legislation. Have you or your office had any conversation with the Property Council of Australia about the proposal to raise the Warragamba Dam wall?

Mr STUART AYRES: They are an organisation that I had consulted with along with many, many other organisations.

Mr JUSTIN FIELD: When was the last time that you spoke to the Property Council of Australia about the proposal?

Mr STUART AYRES: I do not think we ever had a standalone meeting. I could be wrong about that—I would have to check my diary—but definitely at events that I spoke at, the concept of the dam was raised regularly.

Mr JUSTIN FIELD: Why would they have an interest? They are interested in property development primarily, and future property development, so why would they be interested in the proposal?

Mr STUART AYRES: I think the property council wanted to know whether raising the dam wall would allow more land to be developed in western Sydney and my answer to them was no.

Mr JUSTIN FIELD: So you have such a recollection that they asked that question and you gave a specific answer or are you being a bit rhetorical there?

Mr STUART AYRES: No, I recall regularly telling property developers that raising the dam wall will not change the one-in-100 flood level from a planning perspective because it makes absolutely no sense to mitigate against floods and then increase the risk by putting more development in areas that we already know are at risk.

Mr JUSTIN FIELD: I think there are some forecasts for some of that, but have you or Infrastructure NSW staff discussed potential funding assistance for the project with any Commonwealth official or agency?

Mr STUART AYRES: Yes, we have written to the Commonwealth indicating that this is a project that the New South Wales Government would like to proceed on and we would like to talk to them about the prospect of them funding parts of the dam. That is correct.

Mr JUSTIN FIELD: When did you write to them?

Mr STUART AYRES: I do not know the exact date. It was some time in the recent months.

Mr JUSTIN FIELD: Can you provide that letter?

Mr STUART AYRES: I will take on notice whether I would provide you that correspondence.

Mr JUSTIN FIELD: Why would you not provide it?

Mr STUART AYRES: I said I would take it on notice.

Mr JUSTIN FIELD: Do you recall how much money you were asking for?

Mr STUART AYRES: We have not had a discussion with the Commonwealth about what their funding contribution would be at this stage, only that we would like to talk to them about a funding contribution.

Mr JUSTIN FIELD: Who within the Commonwealth was it sent to?

Mr STUART AYRES: I would have to check the exact person that we wrote the letter to.

Mr JUSTIN FIELD: Mr Draper, do you know who that letter went to?

The Hon. BEN FRANKLIN: Point of order: He is taking it on notice.

Mr STUART AYRES: Yes.

Mr JUSTIN FIELD: I am just assisting the Minister because we may be able to shortcut this. He has to write an answer to it—

The CHAIR: The Minister has taken it on notice and that is fine. Mr Draper has been asked a question and he is entitled to answer it.

Mr STUART AYRES: Sorry, my recollection is—but I want to go back and check because there have been some portfolio changes in the Commonwealth Government—that I wrote to Michael McCormack, I think, as the head of the department of regional development or whatever the title is, but I will go back and confirm who I wrote to.

The Hon. PENNY SHARPE: Minister, the most recent Destination NSW annual report says that there are no Aboriginal or Torres Strait Islander people working for Destination NSW. Does that remain the case?

Mr STUART AYRES: I will take that on notice. I do not know every single employee within Destination NSW, but I will take that on notice and come back to you.

The Hon. PENNY SHARPE: The reason that I am asking is obviously there is an Aboriginal tourism plan. I am very interested in the engagement of First Nations people within that but concerned that if there still remain no Aboriginal people working in Destination NSW—

Mr STUART AYRES: Yes. I do not want to project an answer here, so I will take it on notice. The one thing I do want to say is that as part of our Visitor Economy Strategy 2030 we have substantially reweighted the importance of Indigenous tourism and utilising it as a product to drive visitor expenditure. It performed incredibly well in the research that we did with both visitors and across industry. I would also like to draw to the Committee's attention the new campaign that was launched in the last couple of days. Visually there is quite a substantial—probably the strongest—

The Hon. PENNY SHARPE: Sure, but that is not the point that I am making, Minister.

Mr STUART AYRES: No, but you asked the question about whether Destination NSW is employing any Indigenous people and you then referenced an Indigenous tourism strategy, and I wanted to make it very clear that, particularly in this iteration of my time in the portfolio and under the new leadership that we have in Destination NSW, both the visitor economy strategy and our new branding campaign have—and appropriately, in my view—much stronger weighting around Indigenous tourism.

The Hon. MARK LATHAM: Could I ask Mr Draper for the BCR on the Leppington line extension to Badgerys Creek as available to Infrastructure NSW?

Mr DRAPER: Mr Latham, I do not believe that there is such an assessment—from Leppington to Badgerys Creek?

The Hon. MARK LATHAM: Yes, the south-western line extension that has been planned for a decade or more.

Mr DRAPER: Yes, I do not believe that has reached a stage where a BCR has been calculated.

The Hon. MARK LATHAM: Nothing was made available in the negotiations about the city deal?

Mr DRAPER: From Leppington, no. The line that was dealt with in the city deal was from St Marys to the aerotropolis. That is the one you were referring to earlier, which was 0.75.

The Hon. MARK LATHAM: Right, so you have nothing on Leppington. Why then would Infrastructure Australia say in their criticism of the St Marys line and its lack of financial viability that there were better alternatives that could have been pursued, mentioning the Leppington line as well as a possible Parramatta link?

Mr DRAPER: They may have a view about those options, but I do not believe that there has been any option that has got to the stage of having a full business case and a BCR calculated.

The Hon. MARK LATHAM: Minister, what feedback have you had from the major airlines about their intention to locate at Badgerys Creek airport?

Mr STUART AYRES: I have had pretty positive feedback about the capacity for the airport to add capacity to Sydney. I think most major airlines have indicated that they are concerned about long-term capacity at Sydney, given its restricted operating model, so knowing that you will be able to continue to grow your opportunities here in Sydney has been well received. I have had a number of good quality conversations with the domestic carriers about them flying into Western Sydney Airport and I have also had a number of conversations with Western Sydney Airport and they have expressed to me that they are getting positive responses from airlines that they talk to, although I will accept that I am not privy to all of their conversations—it is their airport, not mine.

The Hon. MARK LATHAM: Have the airlines said that for the viability of locating at Badgerys Creek they would like a fast rail link to the centre of Sydney?

Mr STUART AYRES: I have not had a specific conversation with an airline that raises a fast rail link. I think they have all said the more connected the airport is to existing populations around it, the better it will work.

The CHAIR: We have 15 minutes for Government questions.

The Hon. BEN FRANKLIN: The Government is very satisfied with the responses from the Minister, so we will not have any further questions, thank you.

The CHAIR: Thank you, Minister, for your time today, which we appreciate, and we thank all of the Government officials who have joined us today. The secretariat will be in touch with all of you in relation to questions that were taken on notice and there will be 21 days to respond.

(The witnesses withdrew.)

The Committee proceeded to deliberate.