

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

**Monday 3 March 2025**

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

## **CLIMATE CHANGE, ENERGY, THE ENVIRONMENT, HERITAGE**

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**The Committee met at 9:15.**

### **MEMBERS**

Ms Sue Higginson (Chair)

Ms Abigail Boyd  
The Hon. Mark Buttigieg  
Dr Amanda Cohn  
The Hon. Anthony D'Adam  
The Hon. Wes Fang  
The Hon. Tania Mihailuk  
The Hon. Nichole Overall  
The Hon. Peter Primrose  
The Hon. John Ruddick (Deputy Chair)  
The Hon. Natalie Ward

### **PRESENT**

**The Hon. Penny Sharpe**, *Minister for Climate Change, Minister for Energy, Minister for the Environment, and Minister for Heritage*

## **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**

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**The CHAIR:** Welcome to the first hearing of Portfolio Committee No. 7 – Planning and Environment for the additional round of the inquiry into budget estimates 2024-2025. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respect to any Aboriginal and Torres Strait Islander people joining us today. My name is Sue Higginson. I am the Chair of the Committee. I welcome Minister Sharpe and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Climate Change, Energy, the Environment and Heritage.

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

Welcome to you all and thank you for making the time to give evidence. Witnesses will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I also remind Mr Lean and Mr Chappel that they have already been sworn before this Committee during this inquiry and therefore do not need to be sworn again.

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**Mr ANTHONY LEAN**, Secretary, Department of Climate Change, Energy, the Environment and Water, on former affirmation

**Mr TONY CHAPPEL**, Chief Executive Officer, NSW Environment Protection Authority, on former oath

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

**The Hon. NATALIE WARD:** Thank you, Minister, for coming today and for the service by all of your team and public servants. Minister, you'd be aware that the Net Zero Commission has said that unless faster and more significant progress is made, "the target for 2030 will not be achieved and the 2035 target could be out of reach". Serious concerns have been reported about both the New England Renewable Energy Zone and the Central West renewable energy zone, including time delays and cost blowouts. Are you confident that New South Wales will reach its 2030 target?

**The Hon. PENNY SHARPE:** At this time, in 2025, I'm as confident as we can be. But no doubt the reports from the Net Zero Commission are very challenging. That's exactly why the Net Zero Commission was established, which was to set up an organisation that will monitor and report on how New South Wales is meeting our emissions reduction targets and whether we're going to meet them or not. The way that the New South Wales Government is doing this is obviously the report has been received. There is currently a parliamentary inquiry that investigates that report and provides advice to Government. The Government will then respond to that.

But we're not waiting around for the Net Zero Commission report to be finalised or to get all the feedback. This is a continuous project. We're very serious about meeting the targets. I expect that we will meet the targets, but I'm not going to pretend that they're not challenging. I actually believe the science and believe the work that a lot of really good people across government and academia and others are doing to measure our emissions reduction. The good news is that we have actually had significant reduction since 2005. But it needs to go faster and it needs to be harder. We're committed to that. That's why we've got the Net Zero Commission. That's why we're taking all the action that we are.

**The Hon. NATALIE WARD:** Let's talk about the Net Zero Commission. The Net Zero Commission report makes a series of recommendations for the State to hit those targets. In light of the commission's report, what further advice have you sought on hitting those legislated targets?

**The Hon. PENNY SHARPE:** It's probably worth explaining to the Committee how it operates. We've got the report. That report is public, obviously. We've got the parliamentary inquiry, which is also a way in which members of the public and others can interrogate that report and give us further advice. Climate change and meeting emissions reduction targets are built into everything that the Government is doing. We have across government—I don't know whether it's called a steering group or a working group; they've all got slightly different names, but they've got very senior people on them who are working through. Each of the secretaries now are required as part of their KPIs to report about how they're reducing emissions targets. What we're really trying to do is make emissions reduction part of BAU—business as usual—not something that is just an add-on to whatever Government is doing.

**The Hon. NATALIE WARD:** Thank you for that. My question was more specific—about further advice. What further advice have you sought on hitting those legislated targets?

**The Hon. PENNY SHARPE:** Our response to the Net Zero Commission report and the report from the parliamentary inquiry—some of that advice can be done now; some of it will require further inputs from those processes. But I'm getting advice all the time. The way that that advice will be formed will be in our response to the Net Zero Commission's report later in the year.

**The Hon. NATALIE WARD:** When later in the year do you expect that?

**The Hon. PENNY SHARPE:** I need to be very clear with the Committee here. When we originally put the legislation in, we had wanted to have the report from the Net Zero Commission, which I received in December, finalised I think by the end of March. It's now likely to be towards the end of April. I'm going to actually be seeking legislative change around this. This was just about being optimistic. What I didn't want to happen was for us to have the Net Zero Commission report, then have the parliamentary inquiry into that report, and that to come separately after the Government has made its response. I'm happy to fess up to the Committee that we were too

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ambitious in being able to get a four-month turnaround. It may have been public servants who gave me that advice, but I did not listen to them and have learned my lesson. The point is I expect at the end of April, approximately, because we're waiting for the parliamentary report and we will bring that all together so that the Government response is a joined-up one that is taking in all the advice.

**The Hon. NATALIE WARD:** Understanding all of that, given the cross-government working group, are things moving as quickly as you'd like?

**The Hon. PENNY SHARPE:** Yes, I'm pretty happy about it actually. We legislated last year for the Net Zero Commission. The commission was stood up. I thank the commissioners and the chief commissioner, Paul Grimes, for his work in standing up a brand new organisation. There are 18 staff that are operating. They've done their first report. We've got the work happening across government. We've also finalised the adaptation plan in that time. This work is ongoing. We've had the excellent work that's been done through NARClIM, which is some of the best work in the world when it comes to climate modelling and the impact that it has. I don't know whether people know, but our system is so good, you can go down to, I think the nearest kilometre, square kilometre, and look at what the climate projections are for that area out to 50, 60 years. It's pretty great work. We're doing all of this in government in a whole range of different ways.

**The Hon. NATALIE WARD:** Appreciating all of that—and thanks for their good work—it does sound like the timelines themselves are slipping.

**The Hon. PENNY SHARPE:** No, I don't believe so. Other than the Government reporting back from the Net Zero Commission, which I've just been very up-front with the Committee about and I think is going to lead to a much better outcome in terms of a coordinated government approach, no, we're right on time.

**The Hon. NATALIE WARD:** Does the uncertainty around the extension, or not, of Eraring Power Station make achieving the legislated net zero targets harder?

**The Hon. PENNY SHARPE:** No.

**The Hon. NATALIE WARD:** Why?

**The Hon. PENNY SHARPE:** Because the legislated net zero targets are a point in time. Eraring will be out of the system by 2030. Its emissions are already factored into the modelling.

**The Hon. NATALIE WARD:** On that, then, how is the closure of Eraring tracking?

**The Hon. PENNY SHARPE:** As members of this Committee would be well aware, the Government has entered into an agreement with Eraring where they have indicated to the market they'll be closing in 2027. The "hard drop dead" date for Eraring is 2029.

**The Hon. NATALIE WARD:** Based on all the information you have before you as at today, sitting in front of the Committee, do you believe it will be closed on time?

**The Hon. PENNY SHARPE:** It's a matter for them. That's their market advice. Their advice to AEMO and their advice to ASIC is about that. I have to believe that advice.

**The Hon. NATALIE WARD:** But I'm asking your belief and the current view that you have formed based on the information you've been provided and all the information before you. You believe it will be closed on time?

**The Hon. PENNY SHARPE:** I can't say. It's not a matter for me. What I can say is that potential government underwriting of Eraring finishes in 2027.

**The Hon. NATALIE WARD:** Will the orderly exit management framework and rules which commenced in January change the way in which the Government compensates Eraring?

**The Hon. PENNY SHARPE:** No.

**The Hon. NATALIE WARD:** Can you talk us through the orderly exit rules and how they will specifically benefit New South Wales taxpayers?

**The Hon. PENNY SHARPE:** The orderly exit management rules, for people who don't know what that is, is really about having, as it says, an orderly exit from coal-fired power stations. People would be aware across the country that we've got coal-fired power stations. Most of them are exiting the system. Many of them in New South Wales are exiting before 2035. The challenge that we've got is making sure that, as they come out, we have the renewable energy to replace it. That's really all of the work that we're doing under the industry roadmap, and all of the action being undertaken by governments across the country—

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**The Hon. NATALIE WARD:** Can I draw you back to the specifics of that question—how that will benefit New South Wales taxpayers?

**The Hon. PENNY SHARPE:** To give you the context, the way the orderly exit management—OEM is what I call it—system operates and the way the legislation that's been agreed to is that if we choose to opt in to that, and there's a coal-fired power station that indicates that it may want to retire early, it's really a process for us to work through with them how they may or may not do that.

**The Hon. NATALIE WARD:** Again, specific benefits to taxpayers?

**The Hon. PENNY SHARPE:** Keeping the lights on and having businesses being able to get the energy they need and in a price that they can afford is, of course, in taxpayers' interest.

**The Hon. NATALIE WARD:** Given the urgency of the energy transition, then, why has it taken more than a year to write the terms of reference for the transmission planning review, which was from the Marsden Jacob review that was put in place. Why has it taken so long?

**The Hon. PENNY SHARPE:** I think there's a lot going on in this space, as you'd be aware. I'm not concerned about the terms of reference in relation to the transmission review. I think it's appropriate. Part of the biggest challenge we've got in this whole transition is that we're working in privatised arrangements, where Government don't have the levers that they used to have, if we had continued to own any assets. That's long gone. I know that Ms Abigail Boyd would like us to totally renationalise and rebuy all of our assets. We're not going to do that. I have no issue with the fact that we're getting underway with the checkup. We're rolling out many, many actions across what came out of the Marsden Jacob report. This is the next one. As you would be aware, the terms of reference are finalised and there's currently consultation being undertaken.

**The Hon. NATALIE WARD:** With the transmission review finally getting underway, will you commit to not slowing down or changing the published gigawatts and timetables for the REZs?

**The Hon. PENNY SHARPE:** I'm not completely in control of all of the timetable, but the point that I would make, and the job that I do every day, is to work with EnergyCo and all the various generators, and with my colleagues across Government, to try and get as much renewable energy being built as quickly as possible.

**The Hon. NATALIE WARD:** It seems that the review took an entire year to stand up. That's not exactly working at pace. The terms of reference have taken all of this time, and there doesn't seem to be a commitment to changing that. It seems that this Committee is to take that you're comfortable with the timelines, you're comfortable with where it's at, and it's otherwise not within your control?

**The Hon. PENNY SHARPE:** I'm comfortable with the terms of reference for the terms of transmission review. I'm comfortable with it taking the time that it takes. I think you're probably failing to mention all of the other things that are actually occurring. We've got planning approval for Central-West Orana, we're just finalising the final contract with ACERES, who is building that, and early works are underway. Many of the generators have been dealt with. We have signed the commitment deed in relation to the Hunter Transmission Project with Transgrid. We have the Hunter-Central Coast REZ. Again, we've signed the commitment deed with Ausgrid on that, and we're also progressing with the New England Renewable Energy Zone. There's a huge amount of work. I'm happy to take you through the number of things that we've approved since we've been elected—

**The Hon. NATALIE WARD:** That's okay, I can look those up for myself. What I'd like to get to, though, is the delays—

**The Hon. PENNY SHARPE:** Which delays are you specifically talking about?

**The Hon. NATALIE WARD:** I'll get to those. As I've raised, the terms of reference have taken some time. It seems—let's move on to another, then. As recently as last week, Snowy Hydro has again been in the media for delays. What's the latest advice you have on a completion time frame for Snowy Hydro?

**The Hon. PENNY SHARPE:** As you'd be aware, Snowy Hydro is not a New South Wales project, but it is located in New South Wales, which is a matter of record. Yes, Snowy Hydro is costing about three times as much as it should, and it's taken way much longer than we would like. The point that I would make here is that this was the idea of Malcolm Turnbull, the former Prime Minister. I think we need Snowy Hydro, and I think it's going to be an incredibly important project. But let's be clear, the due diligence was not done on that in terms of the time and the length that it would take. The current Federal Government has had to clean all of that up, and that's what they're doing. So yes, it's delayed. That's a matter of record. But it is getting built, and it will be very important once it's plugged into the grid.

**The Hon. NATALIE WARD:** What does that mean for the transmission lines within the national park?

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**The Hon. PENNY SHARPE:** HumeLink has been approved. It's got its requirements through the Australian Energy Regulator. It's done a lot of the acquisitions that are required. HumeLink is a project from Transgrid, and it's progressing. I would remind you, again, that the previous Government had HumeLink, and it wasn't even ready to plug into Snowy Hydro.

**The Hon. NATALIE WARD:** We're getting a bit desperate. That was a few Prime Ministers ago. I think that's a bit of a long bow. You're the Minister sitting here today—

**The Hon. PENNY SHARPE:** No, I'm just telling you. If you want to talk about the frameworks, we've got it going.

**The Hon. NATALIE WARD:** We'd appreciate some answers from you about what your perspective is. It seems that we're not going to get those. You would agree, though, that certainty for developers and communities is important for renewable energy projects?

**The Hon. PENNY SHARPE:** Absolutely. It's why I'm so proud that the investor community says that New South Wales is the best jurisdiction to actually invest in. The feedback that I get is that the work that we've done, particularly the work I've done with Minister Scully in relation to the planning system is really coming to bear. Again, I think it's important that the Committee knows that since we've got to government, we've approved 33 renewable energy and storage programs, six windfarms, 12 large-scale solar, 14 battery energy storage systems—

**The Hon. NATALIE WARD:** I have limited time, as you would appreciate. There are some specific parts—

**The Hon. PENNY SHARPE:** That's fine, but I'm trying to give you the good news.

**The Hon. NATALIE WARD:** And you've got plenty of opportunities to do those in press releases and otherwise, but in the less than six minutes I have, on the transmission lines, then, can I ask if more transmission lines need to go through National Parks, would you support that?

**The Hon. PENNY SHARPE:** No.

**The Hon. NATALIE WARD:** Then in terms of that certainty, and renewable energy projects—and I think you mentioned Minister Scully—what's the status of the New South Wales *Wind Energy Guideline* and the New South Wales *Large-Scale Solar Energy Guideline*, both of November 2024?

**The Hon. PENNY SHARPE:** They're out.

**The Hon. NATALIE WARD:** Do you think those guidelines, in part or whole, should be mandated to provide that certainty that you speak of, to developers and the community?

**The Hon. PENNY SHARPE:** That's why they've been made. The point that we've got is we're trying to move things through the planning system—

**The Hon. NATALIE WARD:** My question is should that be mandated?

**The Hon. PENNY SHARPE:** If you let me finish, I'll explain to you how they're used. The guidelines are actually fairly standard instruments in terms of the way in which the planning system operates. New South Wales' planning system is a bit different to others. It has all of the agencies at once so that it's actually dealt with all together. The guidelines that we provide, and the EPA, and Mr Chappel can talk to you about energy—

**The Hon. NATALIE WARD:** I'll talk with him this afternoon. I'm interested in your thinking.

**The Hon. PENNY SHARPE:** I'm not asking about that. What I'm saying is, those guidelines are what gives us certainty. If people meet those guidelines, it moves through the system much more quickly.

**The Hon. NATALIE WARD:** That mandating, you agree with?

**The Hon. PENNY SHARPE:** Well, they're guidelines that people should follow on the way through.

**The Hon. NATALIE WARD:** So mandating, yes or no? To provide that certainty?

**The Hon. PENNY SHARPE:** I'm not writing them into law, but the guidelines exist as part of the planning process, which is giving the certainty that people need. We've had a lot of industry support for those guidelines. There was a lot of industry input into those—

**The Hon. NATALIE WARD:** You have tested that position? On that industry input, you've tested that position with the renewable energy industry?

**The Hon. PENNY SHARPE:** Yes. They welcome that.

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**The Hon. NATALIE WARD:** Speaking of things on track or not, is the NSW Hydrogen Strategy on track?

**The Hon. PENNY SHARPE:** The NSW Hydrogen Strategy, as you would be aware, was started under the previous Government. It is rolling out, but it is finding some challenges along the way. People would be aware that the hydrogen projects have been slower to get off the ground than people would like. We have three hydrogen hubs that were approved by the previous Government, which are yet to make financial investment decisions—yet to get to fit—but their work continues on that. We're working with the Federal Government on the hydrogen hubs.

**The Hon. NATALIE WARD:** When was the last meeting or briefing that you had on the Hydrogen Strategy?

**The Hon. PENNY SHARPE:** I'd have to take that on notice exactly when, but I'm updated all the time on where things are at.

**The Hon. NATALIE WARD:** In terms of the Hydrogen Strategy, are you aware of how many actions in the Hydrogen Strategy have been delivered?

**The Hon. PENNY SHARPE:** I would have to take on notice the exact number, because—do you know exactly how many actions are in there? I can't recall.

**The Hon. NATALIE WARD:** There are 60.

**The Hon. PENNY SHARPE:** I need to take that on notice.

**The Hon. NATALIE WARD:** Is the Government still committed to production commencing by the middle of this year?

**The Hon. PENNY SHARPE:** We're committed to doing the work to support organisations to deliver that. Delivering that is a matter for them. We continue to work with them to do so.

**The Hon. NATALIE WARD:** So in doing so, are you committed to that production commencing by the middle of this year?

**The Hon. PENNY SHARPE:** I am committed, but I don't make the hydrogen myself, so we need to wait on—

**The Hon. NATALIE WARD:** That's like saying—I won't even go there.

**The Hon. PENNY SHARPE:** We're working very closely with very good organisations in Moree and Port Kembla and in the Hunter to bring online hydrogen. What we want to do is support them to do that. There are grants programs that have done that, but as I'm flagging, being very open with the Committee, that the final investment decision on some of those projects has not been made. It's a matter for those organisations. And we hope they'll get over the line.

**The Hon. NATALIE WARD:** Minister, I'm asking you about the Government's commitment. While you may not make the hydrogen yourself, you certainly are responsible for the Government's commitment. I'll ask you again: Are you still committed to production commencing by the middle of this year?

**The Hon. PENNY SHARPE:** We're committed to fulfilling the support for those that will do production. I hope that they're able to do it by the end of the year, but I'm not sure they will be able to.

**The Hon. NATALIE WARD:** That's not a yes. Is the Government still committed to providing up to \$3 billion of incentives to commercialise hydrogen supply chains and reduce the cost of green hydrogen by an estimated \$5.80 per kilo?

**The Hon. PENNY SHARPE:** Yes. It's \$4 a kilo.

**The Hon. NATALIE WARD:** Is it \$5.80 or \$4?

**The Hon. PENNY SHARPE:** It's \$4.

**The Hon. NATALIE WARD:** So you're committed to that? You'll ensure that that \$3 billion is provided?

**The Hon. PENNY SHARPE:** Once hydrogen is being produced, yes.

**The Hon. NATALIE WARD:** Is the renewable fuel strategy for New South Wales still on track to be delivered in the middle of this year?



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**The Hon. PENNY SHARPE:** Yes. It's just getting finalised now. I'm not quite sure of the timetable of exactly when we're finalising it, but I know that it's very close. The thing we need to understand is that hydrogen is going to be really important, but it's got a much longer lead time. The good news about renewable fuels is that there is already production happening in the State. We're really setting up a system that will allow us to fill the gap between doing that and doing hydrogen. I'm pretty excited about the Renewable Fuel Scheme, and it's pretty close.

**The Hon. NATALIE WARD:** Can I go back to the transmission lines? If they do need to go through national parks, given your support for that, communities are asking for certainty. Would you be willing to discuss mandating the guidelines with specific communities out there?

**The Hon. PENNY SHARPE:** Are you asking about transmission lines through national parks or are you asking about private land? I'm not quite sure what the question is.

**The Hon. NATALIE WARD:** In each of these, the community has given us feedback that they're keen to have that certainty and they want to be able to discuss that with you in an ongoing way. What we've heard today is a bit more about how it's everybody else's problem. We'd like an understanding of whether those communities would have the opportunity to meet with you.

**The Hon. PENNY SHARPE:** I disagree with the assertion of your question, but that's fine. There is a very extensive program that is being undertaken by my agencies in relation to the proposed routes of transmission lines. There's a number of things. I meet with people regularly. I have met with many groups. I can probably take on notice the number of times I've met with people who have been interested in transmission line routes. I'm happy to do that. I can't tell you off the top of my head, but it's at least five or six. On the issue around certainty and the process that we operate on, there is a proposed route, and then EnergyCo goes out and talks to people and they reduce that. Very much so, the aim is to try to reduce the number of landholders that are impacted by those routes, and we have had some good success there.

For example, in Central-West Orana, which is the one that's the most developed, 97 per cent of landholders have agreed to the easements and the arrangements in relation to their land. There are only three that are going through the Valuer General court process. If you look at the Hunter Transmission Project—and people will correct me—I think it was around 80 landholders. It's now down to about 24. The work on the Hunter-Central Coast Renewable Energy Zone is the same. There is extensive consultation. It is not all done by the Minister, but I do receive a lot of correspondence and have done a lot of meetings with landholders in relation to these matters online and in person—in my office and on the ground. That's a work in progress.

We start with a one-kilometre-wide easement. When the route is finally done, it'll be between 70 and 140 metres. That's the careful work that's being done, looking at trying to balance all of those things. You can't have a line that goes like this. You want to have a line that's as straight as possible that impacts as few people as it can and that tries to balance issues like whether it's going through very sensitive biodiversity land as well as agricultural land. They're all the things that we're trying to balance through the process.

**The Hon. JOHN RUDDICK:** Thanks for joining us, Minister. The draft *Water Sharing Plan for the Murrumbidgee Unregulated River Water Sources 2025* was placed on public exhibition in November last year. The water sharing plan establishes rules for water management in the Murrumbidgee unregulated river source. The new plan is due to commence on 1 July this year. The Natural Resources Commission reviewed the previous water sharing plan and recommended that wetlands of international, national or regional significance be identified and protected. The criteria from the Natural Resources Commission require that the priority wetlands identified need to, amongst other criteria, support threatened species, support significant biodiversity and be a vital habitat.

The NSW Department of Climate Change, Energy, the Environment and Water confirmed on its website that it completed a desktop-only assessment due to time constraints and that this has resulted in areas being identified as wetlands that should not have been included. The implication from the declaration of these wetlands is that there'll be no new works or agriculture within the prescribed wetlands. The department has advised that updated maps for the draft plans will be available in early March this year. You, as the Minister for the Environment, are required to give concurrence on these plans prior to implementation. Will you require the Minister for Water to undertake further community consultation and receive further objections on the water sharing plan's prescribed wetlands prior to giving concurrence on the water sharing plans?

**The Hon. PENNY SHARPE:** Thanks, Mr Ruddick. That's quite a long question. Yes, I am aware of the issues around wetland mapping. I'd make a couple of points about this. One is that the reason why we go out to consultation in relation to the water sharing plans is to identify issues that people have had and for them to bring them forward, which they have done. I know that the Minister for Water—this is primarily her issue, but I accept that I have concurrence and I take that very seriously. We will work through those issues. The shorter

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answer to your question is, yes, I'm aware of the issues. Our departments and my colleague the Minister for Water are also working through those. Before we do final concurrence, all of those issues will be taken into account, as they should be.

**The Hon. JOHN RUDDICK:** What briefings have you received from environmental experts that require the prescribing of hundreds of new wetland areas along the Murrumbidgee? Are you concerned about mission creep and harm being done to agriculture by overclassifying areas as wetlands?

**The Hon. PENNY SHARPE:** I haven't had a direct briefing in relation to the wetland mapping. As I said, it's part of this process of which I would then get advice in relation to concurrence. I'm happy to say that we will definitely look at that. The point that I would make is that wetlands are extremely important. Some of them are in very good shape because we've had a lot of rain. Some of them are in less good shape. The impact on bird species and the health of the rivers is tied up in the health of the wetlands. It's something that I keep an eye on but that I expect we'll deal with once the concurrence papers and the other work comes forward.

**The Hon. JOHN RUDDICK:** We are in March now, Minister. The maps for the draft plans are scheduled to be released this month. Are we on track for that to happen?

**The Hon. PENNY SHARPE:** I'd need to take that on notice. As I said, it comes to me for concurrence. Maybe Mr Lean can tell you.

**ANTHONY LEAN:** Within the agency, we're working towards finalising revised maps. I think we're intending to release them in early March. It should happen over the next couple of weeks.

**The Hon. JOHN RUDDICK:** When they are released, they are still drafts; they are not final. Is that right? There'll be further opportunity for community consultation?

**ANTHONY LEAN:** Can I take that on notice? They certainly will be publicly available and people will have the opportunity, if they're still concerned with it, to raise concerns with Minister Jackson or with the department.

**The Hon. JOHN RUDDICK:** Turning to another area, on 22 October 2021 the National Parks and Wildlife Service entered into a part 4A agreement with local Aboriginal land councils for a nature reserve of 589 hectares off Thunderbolts Way, west of Armidale. It's now called the Bulagaranda Aboriginal Area. I understand from the lease agreement that the Government has agreed to the following payments: an annual rent of \$20,000, an annual payment of operational funds of \$65,000 and an annual payment of \$70,000 for community development funds. In total, \$150,000 per year is being given from taxpayers to this Aboriginal land council. The department remains responsible for all outgoings, obligations and costs under associated land management practices, along with the costs associated with public liability and other things. According to the lease, there is to be no change in recurrent spending on the reserve, but this is clearly not the case. Can you or the department provide a sum total of all payments and departmental costs associated with the formation and enactment of the lease agreement and payments made since 22 October 2021, including costs of outgoing and payments made under the land management status?

**The Hon. PENNY SHARPE:** I'm happy to provide that information to the Committee. Clearly, it happened before this current Government was elected. The point I make around part 4As is that we have them across the State. They're part of a range of different models that we have, working with Aboriginal communities and traditional owners on national parks. Part 4A is well known and has been running for many decades as a way in which there is an Aboriginal-owned park that is leased back to the State, which works in partnership with the National Parks and Wildlife Service. I've been very lucky to go to a couple of these. One of the ones I've been to is Mutawintji, which is in Far West New South Wales. It's a fantastic national park. If anyone ever gets out there, there are some incredible things to see there. It's very well maintained and run by the traditional owners in partnership with Parks. I think it's a really successful model. We've got a breakdown of those. I'm happy to get those figures for you, Mr Ruddick.

**The Hon. JOHN RUDDICK:** Prior to the agreement, I understand costs for managing the park came from National Parks and Wildlife recurrent funds. Can the department provide annual recurrent spending for management of Bulagaranda Aboriginal Area for the five years prior to the lease agreement being signed?

**The Hon. PENNY SHARPE:** Sure, I'm sure we can find that. It might take us a little while. It's going back a while but, yes, no problem.

**The Hon. JOHN RUDDICK:** I'd like to use my last few minutes to talk about Mount Warning, where we've been before, Minister. Your office helped us get some documents. We were planning on doing an SO 52 but your department was cooperative and gave us some of the documents that we were after. The Wollumbin Consultative Group minutes show that in 2016 and 2018, National Parks and Wildlife and the Wollumbin

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Consultative Group were pursuing a permit and fee system to manage public access to the summit. To quote from the minutes from December 2016, "Massive increase in people climbing the mountain; 465 people a day is not sustainable". The Wollumbin Consultative Group wanted to limit it to 250 a day by introducing a fee of \$20 to \$25. That was endorsed by the Wollumbin Consultative Group. In July 2018 committee members still desired a permit system. This is all from the documents that your office helped us acquire.

Can the Minister please explain why this compromised approach to public access to the summit was not pursued? The people up there were saying, "Let's charge a fee. Too many people are climbing it. It is doing some damage. If we put in a fee, there will be less." According to those documents that we have from six, seven or eight years ago, that seemed to be the consensus of the people on the ground up there. We seem to have lost that idea of charging a fee. What's your view on that?

**The Hon. PENNY SHARPE:** Again, I can't comment too much about what happened under the previous Government or previous arrangements. What I can say is I that have met with the Wollumbin Consultative Group, as I have met with many people in relation to the future of access to the summit. That work is ongoing. It's not straightforward. I take at face value that you've seen the documents; I haven't seen them. I know there has been a variety of discussions and views within the Wollumbin Consultative Group over time, and that changed. When I became the Minister, I went and met with them. I think there was a desire to work out what was actually going on. There is a preference for the summit to remain closed and to think about future access a long way into the future, without wanting to put words in people's mouths because I haven't met with them for a little while.

It's something that we continue to work through. In 2016 and 2018, I think I was the shadow Minister for Family and Community Services then, so it was quite a while ago. I'm not across the detail at the time, but we're happy to give you the information that you want. The point that I would make is I have met with many people up on the North Coast. There is a variety of views; we're still working through those. There are still the safety aspects, which are important. It's a very, very steep place. We don't want people going up there where it's unsafe, and so we'd need to work out how that was going to operate in the future. Those discussions continue.

**The Hon. JOHN RUDDICK:** We have a document where you are quoted as saying to the Wollumbin Consultative Group on 22 February last year, "I would like to explore if there are opportunities for joint management around treaty arrangements." What did you mean by "treaty arrangements", and is the Government proposing some type of treaty with the Wollumbin Consultative Group?

**The Hon. PENNY SHARPE:** No. I haven't seen those minutes. I'm not certain that they're necessarily a direct reflection of what I may have said, but I'm happy to explain to you the conversation that I was having, which is that you'd be aware that the New South Wales Government has set up a group of people who are beginning the conversations around treaty making in New South Wales. That doesn't mean that a range of other things that have been longstanding just sort of fall away.

The discussion around joint management and, as I indicated previously, the various different ways in which National Parks works with Aboriginal and traditional owners across the parks network is part of that. If I was reflecting on that, I was probably talking about the fact that the Government was setting up a treaty process. In some ways, my general view would be that some of the part 4A and other arrangements are not dissimilar to small treaties anyway because they're actually in agreement about how the national parks and country are being cared for jointly.

**The CHAIR:** Minister, can I ask you, please, about the Great Koala National Park. When can New South Wales expect an announcement on the Great Koala National Park?

**The Hon. PENNY SHARPE:** I welcome the question. Soon.

**The CHAIR:** It is March; we haven't had a decision yet. I understand that the advisory committees completed their work at the end of last year, including the incredible tabled document about the koala assessment that has taken place, which was clearly an incredibly good, comprehensive assessment. Can the people of New South Wales understand why it's taking so long?

**The Hon. PENNY SHARPE:** I'm very happy to explain to people the process. As you know, this is our single biggest environmental commitment that we took to the last election. It's incredibly important in terms of saving koalas in the wild, which as we all know are on track to extinction by 2050. I don't think there's one person in New South Wales who would be happy if that occurred. There has also been a whole lot of other scientific work that has gone into trying to count koalas and working through that. But I relied previously on very important work that has been done that showed that 90 per cent of populations are actually in decline. That's the context that we're working in, in terms of the importance which the New South Wales Government and myself as the Minister give to the creation of this national park.

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**CORRECTED**

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We did say when we went to the election that we'd do a comprehensive assessment process, and the commitment was that it would be done in our first term. We're just heading up to two years. I know people are impatient to get the park created. There has been a lot of different work done. There's an industry panel, there's an environment science panel and there's also a First Nations panel. They've put in a range of different models and thoughts about the way in which the park should be created, how big it should be, what is the assessment area, what we should be counting and what we shouldn't. That's pretty comprehensive work. I would say and be very up-front that some of that remains contested. The one thing that I've learnt through this process is that the facts in relation to these matters are not easily agreed on by people. That's really part of what government is doing.

It's a very important thing for us. Anything that we do there will have an impact on the communities. We're looking through what those would be and to understand what we need to do to support communities through the change. There are a lot of positives that come with this. But let's be very up-front: There will be an impact on timber jobs and we need to work through that. We've been working closely through this, and I have met with the timber industry on many occasions. We're working through it properly. I think I should probably have a little sign that I hold up that says, "Yes, I wish this was faster, and we're trying to make it go as quickly as possible." Having said that, when we make the decision about the Great Koala National Park, we want it to be as robust as it possibly can be so that we're very confident that we have it right.

**The CHAIR:** When you say, "soon", Minister, can people expect that in the next month?

**The Hon. PENNY SHARPE:** I'm not providing you with any more information other than soon. That's the best I can do. Government is still considering it. I'm not in a position to give you a time frame.

**The CHAIR:** So no time frame at all? Can we say within six months? I'm serious. I have people ringing me three times every day, and I'm sure you have too.

**The Hon. PENNY SHARPE:** We get plenty of traffic to our office too. I've been very up-front about what this is. Government will make the decision and we will do it properly. Of course it will be soon, but I'm not putting a time frame on it because we have issues that we're working through. One thing I would say to anyone who is watching and interested here—can you please stop telling journalists that I am announcing it tomorrow, because it's not the case. Every Friday and every Sunday I get phone calls saying, "You're announcing the Great Koala National Park." No, I'm not.

**The CHAIR:** Perhaps there's a way of mitigating that. There was a really clear rumour that it was going to be before the end of last year. I don't think people are making—

**The Hon. PENNY SHARPE:** Rumours are rumours until they're facts.

**The CHAIR:** That's right. Is there anything that you and the Government can do to assist all of those people? I don't think this is just something that is fanciful to suggest. People are really disturbed and anxious. People on the front lines—those who are watching logs and koala habitat taken out en masse, with truck after truck going through their community main centre—are really stressed because they thought this would have ended by now. They had planned their lives around it ending. I'm just wondering—and I'm not trying to be disrespectful—could you provide something around the word "soon" for those people?

**The Hon. PENNY SHARPE:** No. It's soon. The point that I would make, again, is that those who have campaigned for the Great Koala National Park are people I know well and have dealt with for many years in relation to this. As I said, this is the biggest commitment that this Government is making in relation to the environment as part of our election platform that we were elected on and that we have a mandate to deliver.

**The CHAIR:** But do you accept that we are losing the faith of all those people who believed and trusted that this would be delivered?

**The Hon. PENNY SHARPE:** No, I don't accept that. I accept what people think about a couple of things. First, if this Government wasn't elected, there'd be absolutely no commitment for the Great Koala National Park whatsoever; secondly, we've also done a lot of work through the koala hubs to remove very sensitive areas from harvesting in the area; and thirdly—and we are very clear about this, though some people don't like it—plantation is going to be harvested within the area. That is absolutely what we have been clear about. I understand people's frustration.

**The CHAIR:** People on the front line understand—

**The Hon. PENNY SHARPE:** I understand that people—

**The Hon. WES FANG:** Point of order: Chair, you've got to let the Minister answer.

**The CHAIR:** Thanks, Wes.

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**CORRECTED**

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**The Hon. PENNY SHARPE:** There's a first time for everything.

**The Hon. WES FANG:** I'm doing your job.

**The Hon. PENNY SHARPE:** Go on, Sue.

**The CHAIR:** The people I'm referring to, who are really stressed out, know the difference between plantation and native forest logging. Is it true that the logging lobbyists who have been roaming around this Parliament for the past few weeks are having an influence on the outcome? You may not have seen them; I certainly have. I'm curious, has the Premier been meeting with people? Is he being swung? Is this decision being influenced by—

**The Hon. PENNY SHARPE:** With respect, Sue, if you want to know all the answers to those questions, I'm happy to give you a Labor Party form and I'm happy for you to become a member of the Labor Party caucus so that you can provide that information. That is what government does. That is what political parties—

**The CHAIR:** I'm a member of the crossbench, doing my job as a crossbencher.

**The Hon. PENNY SHARPE:** I know you are, but what I'm saying to you is that you're asking questions that (a) I'm not in a position to answer and (b) you're also just fuelling the rumours that are there. Please take me at my word, which is that—

**The CHAIR:** Minister, with respect, it appears that no decision has yet been made about the Great Koala National Park. For some people, that would be quite alarming at this point, given the assessment was completed last year and the decision is coming soon. We still don't know whether the decision includes the whole 176,000 hectares that people thought was promised—and implicit in that promise—when the Labor Government formed. Is it true that the decision is still being influenced? If so, is that decision being influenced by those lobbyists on behalf of the vested timber industry voice?

**The Hon. PENNY SHARPE:** Government pays attention to a lot of information. We've got all the information from our experts and there are people roaming the halls. There are also environment groups that are doing the same. People do their work through the democratic process in the way they see fit. Government takes that on board and makes its own decisions. The main thing I want to emphasise is that no-one should underestimate the commitment in relation to getting this park done. Yes, it is taking longer than people like, but we need to do it properly. It's not simple. People want me to say, "This is what we are doing. We're going to close the industry. That's it; it's all over." That's not how good government works.

Good government does the work that understands the impact on koalas and how important this park is for making sure that koalas actually have a future in the wild in this State. We absolutely agree with that. But we also understand that there are communities that are impacted, and we need to understand the differences of that. It's absolutely okay for every group, no matter who they are, to front up and seek a meeting with an MP to actually talk about the issues that they want to talk about. Environment groups do that, as they should; ordinary citizens do that, as they should; and different groups, as we know, go and argue their case, as they should. The Government's job is to look at the facts, work through it and come to a decision. We're working through that. We're not there yet, but I hope it will be soon.

**The CHAIR:** Are you aware that the biomaterial reports for those areas, in terms of what was coming out of the forest and what remains, have been false? They have now been corrected. Can you provide any guarantee that, in the assessment process, any figures around compensation haven't been overinflated based on the incorrect material?

**The Hon. PENNY SHARPE:** I'm aware of the issue. Obviously I'm not the forestry Minister. I think people asked Minister Moriarty about that. There is a steering committee with all the relevant agencies. These issues are part of the assessment on what the Government finally decides.

**The Hon. WES FANG:** Minister, have you or anyone in the department had any conversations around delaying the announcement of the Great Koala National Park until after the Federal election?

**The Hon. PENNY SHARPE:** Not that I'm aware of.

**The Hon. WES FANG:** Not that you're aware of?

**The Hon. PENNY SHARPE:** I can't speak for conversations that I'm not in.

**The Hon. WES FANG:** Fair. Will you commit that an announcement for the Great Koala National Park will not be delayed until after the Federal election?

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**The Hon. PENNY SHARPE:** As I said to Ms Higginson, we'll announce the Great Koala National Park soon, but there is still work that's ongoing.

**The Hon. WES FANG:** Ms Higginson touched on this issue, but I'm surprised that it's now two years since this Government was effectively elected.

**The Hon. PENNY SHARPE:** You don't even support the Great Koala National Park. I thought you'd be happy.

**The Hon. WES FANG:** I haven't even got to the question and you're interjecting on me.

**The Hon. PENNY SHARPE:** I can't help it.

**The Hon. WES FANG:** I feel like the Chair should—

**The Hon. PENNY SHARPE:** Old habits die hard. Come on.

**The Hon. WES FANG:** I appreciate that. Are you not slightly embarrassed that we are two years in and you haven't got to announcing the Great Koala National Park?

**The Hon. PENNY SHARPE:** No.

**The Hon. WES FANG:** You're not?

**The Hon. PENNY SHARPE:** No. I believe in government doing its job properly.

**The Hon. WES FANG:** That's interesting. Did the former head of the National Parks and Wildlife Service, Atticus Fleming, leave National Parks because he failed to deliver you the biggest election commitment that the Labor Party made?

**The Hon. PENNY SHARPE:** Wow. Where should I start with this? The first thing I'd say is that, over Christmas, Atticus Fleming decided that, after six years doing an incredible job as the head of the National Parks and Wildlife Service, it was time for a change. Previously he had come from the non-government sector. I think he had reflected on that and been thinking that it was the right time for him to move away. It's never easy to leave these jobs. He was not encouraged by me to leave at all. In fact, I'm very sad that he is going.

**The Hon. WES FANG:** So he wasn't sacked by you then?

**The Hon. PENNY SHARPE:** I think what you have just said about him is disgraceful. I think, to traduce a public servant who has done nothing but work very hard—and mostly with the previous Government—to progress national parks and protected area protection across this State is, frankly, beneath you. I am very disappointed that that's what you've decided to do.

**The Hon. WES FANG:** I can put the questions; you can answer them, as you are.

**The Hon. PENNY SHARPE:** The point that I want to put on record here is that Atticus Fleming is leaving and I'm sad about that. I wish him really well with whatever he does next. He's a great loss to New South Wales.

**The Hon. WES FANG:** So you didn't sack him then?

**The Hon. PENNY SHARPE:** Absolutely not. Did you not just hear that? That is disgraceful. I did not.

**The Hon. WES FANG:** I'm just confirming that you did not sack him.

**The Hon. PENNY SHARPE:** Also, it's not up to me to do that anyway. It would help if you actually understood how it works.

**The Hon. WES FANG:** I'm just making sure that you didn't sack him.

**The Hon. PENNY SHARPE:** You are just so rude.

**The Hon. WES FANG:** Have you filled his role yet?

**The Hon. PENNY SHARPE:** No. If you were paying attention, we've got advertising out at the moment. We have the very excellent Naomi Stephens, who will be here this afternoon, acting in that position. She is excellent at doing that. We have gone and we are recruiting for that position. It will be hard to fill. If there is anyone who really wants to do this job—one of the best jobs in Australia—we want the best and the brightest to come forward.

**The Hon. WES FANG:** Minister, is Mr Fleming still contracted and working for the National Parks and Wildlife Service? If so, what is he actually doing?

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**The Hon. PENNY SHARPE:** Yes. I'm happy to give this to Mr Lean. Because Mr Fleming is going and, as you'd be aware, there are two particular issues that he has been working closely on, including the Great Koala National Park—you've just chipped me for apparently taking too long to do it. My understanding is that he is contracted—I don't know if it's one or two days a week—to do some work finishing up, given that he has finalised, which I'm very comfortable with.

**ANTHONY LEAN:** Yes. Atticus is employed on a part-time basis, one day a week. He's focused on doing work associated with the carbon methodology and also continuing in his role as Lord Howe Island board chair.

**The Hon. WES FANG:** Excellent. I will be asking some questions related to some of those issues a bit later. But you said, Minister, that he was doing—two issues, was it? Or was it just the one—

**The Hon. PENNY SHARPE:** I just refer to what Mr Lean just said. He's, basically, Great Koala National Park, of which the method is—and I failed to say that he's actually on the board of Lord Howe Island. I'm glad you've got a new-found interest in this, given the Port Macquarie by-election. I hope that the Liberals are as interested in it as you are.

**The Hon. WES FANG:** Probably not, Minister, but that's okay.

**The Hon. PENNY SHARPE:** There's a lot of work going on at Lord Howe Island, and we want to actually clean that.

**The Hon. WES FANG:** Just in relation to that, is he on a pro-rata rate, at a secretary level?

**ANTHONY LEAN:** He's not at secretary level, because I'm the secretary. But—

**The Hon. WES FANG:** That's what I'm asking. Is it secretary level, dep sec level? What is he—

**The Hon. PENNY SHARPE:** We'll find out how much. We'll come back to you.

**The Hon. WES FANG:** At a pro-rataed rate, I'm assuming.

**The Hon. PENNY SHARPE:** One day a week. You just heard it.

**ANTHONY LEAN:** It's one day a week.

**The Hon. WES FANG:** Minister, when did you first meet Amit Singh?

**The Hon. PENNY SHARPE:** I think I first met him—I'd need to check. It will be in my diaries. But it was, I think, when he was providing me with the first bit of information in relation to some of the modelling for Great Koala National Park.

**The Hon. WES FANG:** Approximate time? Was it 2023, 2024, early, late?

**The Hon. PENNY SHARPE:** I'd need to—it would have been maybe '23 or perhaps early '24. But let me confirm. It was a fair way into the project.

**The Hon. WES FANG:** When did you first learn about Mandala Partners?

**The Hon. PENNY SHARPE:** I was aware of Mandala Partners, obviously, when we established the process to go through with the Great Koala National Park. We wanted people to do modelling in relation to industry impact and all of those issues. I'm aware that Mandala was on the preferred list and came recommended from other government agencies as well. We were keen—there was a view that they would be the appropriate people to do the work because they've done industry work before.

**The Hon. WES FANG:** Do you know who that work was for, Minister?

**The Hon. PENNY SHARPE:** No, I don't know off the top of my head. I know that they had done some work for unions previously. But I couldn't tell you who. I'm not—

**The Hon. WES FANG:** You didn't think to ask?

**The Hon. PENNY SHARPE:** No, because they were—

**The Hon. WES FANG:** No? Okay.

**The Hon. PENNY SHARPE:** Can you just let me finish? I'm not quite sure what you're trying to allege here. This is a consultancy that has been through the government procurement process, which means it's on the preferred tenderers list, which, I think—and I'd need to check—was probably even before—it was under the previous Government. They'd done other work for other—I couldn't tell you what that was. We followed the proper procurement process. They've been doing that work.

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**The Hon. WES FANG:** Have you assured yourself that nobody, certainly not you or anyone in your office, did anything in any capacity to appoint Mandala Partners to lead the economic, social assessment for the establishment of the Great Koala National Park?

**The Hon. PENNY SHARPE:** No. All I'm aware is that we would have talked about who would—were there organisations that have good level of experience. We would have done that. So I'm sure there were conversations in my office. But it was basically led—as is appropriate, all things were followed. DCCEEW worked with Mandala to get their services. Can I just confirm that I first met with Mandala on 4 September 2024.

**The Hon. WES FANG:** Thank you. You're just confirming your office did discuss appointing Mandala Partners in that process?

**The Hon. PENNY SHARPE:** I recall a conversation where we said we need to have consultants, people are thinking about that, Mandala is there, they've got industry experience, and that was the last of it.

**The Hon. WES FANG:** Did your office sign off on Mandala Partners being appointed as the pre-approved consultant to the New South Wales Government?

**The Hon. PENNY SHARPE:** No. I don't—let me take that on notice, but I'll just check. I don't believe so. That's not how it works. I might hand over to Mr Lean in relation to this. My office does not directly employ any consultants.

**ANTHONY LEAN:** Yes. The procurement was undertaken by what was then the department of planning, industry and environment or planning and environment. All of the procurement rules were complied with, as the Minister has indicated. They were a pre-qualified supplier. So they were engaged directly by the department in accordance with the procurement rules that allow those sorts of engagements.

**The Hon. WES FANG:** How was the assessment done, in relation to which of those approved pre-tenderers that were already approved were selected for that role?

**ANTHONY LEAN:** I'll have to go back and get further information on that. But the rules allow for a direct engagement—

**The Hon. PENNY SHARPE:** This is prior to Mr Lean's time.

**The Hon. WES FANG:** I appreciate that. I guess I'm just trying to understand how they were appointed, whether there was—

**The Hon. PENNY SHARPE:** I can give you the advice that I have got, which was that, in December '23, Mandala was engaged to deliver the independent economic and social impact assessment and cost-benefit analysis for the Great Koala National Park. DCCEEW did this as a direct negotiation, partly because we wanted to get this up and running as quickly as possible, partly because Mandala already complied with the New South Wales procurement framework. They were a pre-qualified supplier. You would be aware that we're trying to get these things done as quickly as possible. You seem to be—

**The Hon. WES FANG:** May be not quick enough, depending on who you ask.

**The Hon. PENNY SHARPE:** You can't have it both ways, Mr Fang.

**The Hon. WES FANG:** Minister, I'm simply asking questions.

**The Hon. PENNY SHARPE:** This is the process. But we'll get that other detail for you. I'm happy to provide it.

**The Hon. WES FANG:** I'm simply asking questions about the process. It's budget estimates.

**The Hon. PENNY SHARPE:** For which I am giving directly relevant answers.

**The Hon. WES FANG:** You are. Thank you very much, Minister. Mr Lean, are you able to provide, perhaps on notice, any work that was done around the assessment for that appointment and whether any other companies were considered in that work?

**ANTHONY LEAN:** I think we've already indicated that it was a direct engagement. But I'll certainly take—

**The Hon. WES FANG:** I appreciate that. But did you engage with anybody else in parallel, effectively, before they were selected?

**ANTHONY LEAN:** I'll have to take that on notice.



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**The Hon. WES FANG:** Thank you, Minister, was it appropriate that Mandala Partners were allowed to work for an activist group, also a member of the social, environmental advisory panel for the Great Koala National Park, who are advocating against public native forestry, while at the same time the team was writing the economic assessment for the National Parks and Wildlife Service?

**The Hon. PENNY SHARPE:** I'll make the following comments in relation to that. Yes, it is appropriate if conflicts of interest are properly managed. I believe, in this case, that they are. It is not unusual, as some members would be—I don't know which one of you were on Ms Abigail Boyd's committee in relation to contractors and consultants. But it's not unusual for—

**The Hon. WES FANG:** It would be the Parliament's committee, actually, Minister.

**The Hon. PENNY SHARPE:** I'm getting you the information. It's not unusual for people to be working for multiple clients and for them to have things in place. This is what I can advise: that, in May 2024, Mandala provided information to DCCEEW about their intention to undertake work under a separate contract for the Australian Climate and Biodiversity Foundation. I think that's who you are talking about. Is that who you're talking about?

**The Hon. WES FANG:** Yes. For the benefit of Hansard, yes. That's my understanding.

**The Hon. PENNY SHARPE:** Yes. DCCEEW was—

**The Hon. WES FANG:** I'd be interested to see if they declared any other conflicts.

**The Hon. PENNY SHARPE:** Are you going to let me finish?

**The Hon. WES FANG:** Yes.

**The Hon. PENNY SHARPE:** DCCEEW was advised that this work did not overlap or conflict with the work being undertaken for the department and protocols would be in place for the duration of the project. These protocols included removing all data received from New South Wales government entities related to GKNP prior to starting work on the other contract. No GKNP work was used in the separate client's work. Finalising GKNP draft work was also done before commencing the new work. All these protocols are normal that companies use regularly to manage different contracts. DCCEEW Legal and Governance confirmed that the measures were satisfactory, and Mandala was requested to confirm adherence to all protocols throughout the duration. Just to be clear here, Mandala returned all data to DCCEEW. Mandala do not own or use any of the data that was used in relation to the Great Koala National Park. On 28 October '24, Mandala wrote to DCCEEW to confirm that the protocols were in place.

**The Hon. WES FANG:** Thank you, Minister, for that comprehensive answer. However, were the conflicts of interest raised with you, Minister, and also you, Mr Lean? And was approval given?

**The Hon. PENNY SHARPE:** As I've just said to you, the conflicts are managed at the departmental level. They were declared. They were managed. And I'm satisfied with how they're there.

**The Hon. WES FANG:** So, Minister, taking a step back, were you made aware that there was a conflict of interest there and that the department was managing it below secretary and Minister level?

**The Hon. PENNY SHARPE:** I believe that my office is aware. At some point, I was told that this issue had been raised, but I was satisfied that the protocols that were put in place have been adhered to.

**The Hon. WES FANG:** Mr Lean, when were you made aware?

**ANTHONY LEAN:** When Mandala wrote to me, I believe, on 16 May 2024. I'd just make the point—

**The Hon. WES FANG:** Sixteenth of May, was it?

**The Hon. PENNY SHARPE:** Yes, May '24.

**ANTHONY LEAN:** You've said that there was a conflict. I was actually satisfied that there was no conflict, because—

**The Hon. WES FANG:** Is that why the Minister wasn't told that there was a conflict of interest in place?

**ANTHONY LEAN:** Sorry?

**The Hon. WES FANG:** The Minister just said that she's not sure that she was actually made aware or that her office—

**The Hon. PENNY SHARPE:** No. That's not—don't put words into my mouth. That's not what I said.

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**CORRECTED**

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**The Hon. WES FANG:** I'm trying to understand this.

**The Hon. PENNY SHARPE:** What I said to you is I became aware. I couldn't tell you when that was, but there was a discussion. I asked about it, and I was satisfied that the protocols had been met.

**The Hon. WES FANG:** But, Minister, you can understand the answer you gave me previously indicated that there was management of that conflict of interest. Mr Lean is indicating that he was satisfied that there wasn't a conflict of interest. I'm getting two different answers, one from the secretary and then one from the Minister.

**The Hon. PENNY SHARPE:** If you actually pursued that line of thinking, you'd probably get a better answer from the secretary rather than trying to verbal me in my answers.

**The Hon. WES FANG:** I'm not trying to verbal you, Minister, at all. I'm just trying to understand how you've described it as a conflict of interest and the secretary has now indicated that he didn't believe it was a conflict of interest. Therefore, how was it managed?

**ANTHONY LEAN:** Can I just clarify? There was no actual conflict of interest given the nature of the work that Mandala was doing for this other organisation. When it was looked at compared to the work they were doing as part of the GKNP process, there remains an issue around perception of conflict of interest and various—

**The Hon. WES FANG:** I will come to that issue.

**ANTHONY LEAN:** Do you mind if I finish?

**The Hon. WES FANG:** Yes, but I'll come to that issue in a little bit of time.

**The Hon. PENNY SHARPE:** Let him finish then.

**ANTHONY LEAN:** Recognising that there were still risks associated with that, there were various protocols put in place to manage the perception of a conflict. We sought confirmation in relation to compliance with those protocols and Mandala advised us that they were complied with. Our legal and governance team also looked at it and advised the arrangements that they had in place were satisfactory to manage that perception.

**The Hon. WES FANG:** Mr Lean, you would appreciate you can't be half pregnant. You either are or you aren't, and there either is or there isn't a conflict of interest here.

**The CHAIR:** Well, you can be half pregnant—you can be halfway through your term.

**The Hon. WES FANG:** You've indicated that you didn't believe there was a conflict of interest. If that was the belief of the secretary, how are you convinced that it was appropriately managed given that the Minister said that there was appropriate management of the conflict of interest?

**ANTHONY LEAN:** I think I've answered that. I've said there was no actual conflict; however, there was a risk of a perception of conflict. There were protocols put in place to manage that and we sought confirmation from Mandala that they were complied with. That includes return of the data, making sure that it wasn't used as part of the separate piece of work.

**The Hon. PENNY SHARPE:** Is it your allegation that there is a conflict of interest? I'm not actually understanding what you're trying to—

**The Hon. WES FANG:** I believe there is an absolute conflict of interest, Minister.

**The Hon. PENNY SHARPE:** Well, we disagree on that.

**The Hon. WES FANG:** That's what I'm trying to elucidate some responses about. Minister, do you accept that, by having selected Mandala Partners, there has been a creation of a cloud over the work that was done in relation to the assessments?

**The Hon. PENNY SHARPE:** Despite your best efforts, no.

**The Hon. WES FANG:** Minister, it's not about what I'm seeking to do or not do. This is the opinion of—

**The Hon. PENNY SHARPE:** I've answered the question: No.

**The Hon. WES FANG:** —stakeholders. It's the opinion of people that have had access to the—

**The Hon. PENNY SHARPE:** Let me say this: There is a lot of different modelling. There is a lot of different assessments. There is input from the timber industry. There's input from previous reports. All of that has gone into and is part of the assessment for Government making the decision about the Great Koala National Park. I don't believe that there is any compromise in the work that Mandala has done despite the efforts of many to try

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**CORRECTED**

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and traduce that work. What I will say to you is that the Government has a lot of inputs and I would again say to the Committee and those that are watching that there is actually no agreement on this and this is actually what makes this assessment very challenging. This is the way that I want to try to get us to with the panels—is to get as much agreement on the facts as there are. Mandala have presented to all of those committees and actually there's been no issues raised in relation to that. Whether there's a conflict of interest or potential conflict of interest is a separate issue to the work that's being done.

**The Hon. WES FANG:** Minister, are you saying that none of the stakeholders have raised concerns about the fact that—

**The Hon. PENNY SHARPE:** No, that's not what I'm saying. What I'm saying is that the work of Mandala was presented to the various panels. There's a large volume of work, but my understanding is that there is, in good news, actually quite a lot of agreement around where we're going. There are still some outstanding issues and there are some who believe that there is a problem with Mandala. I don't share those views.

**The Hon. WES FANG:** Minister, I want to turn, in the little time I have left, to another issue. The count for the Kosciuszko brumbies has been delayed, it would appear.

**The Hon. PENNY SHARPE:** Yes.

**The Hon. WES FANG:** There are concerns that this is because the raw data is showing there to be less than 3,000 brumbies left in the park and that you've breached the wild horse heritage Act by having overshot the number of brumbies. Can you explain the delay in the release of the numbers and understand that, by delaying that release and the raw data, people are questioning why it is the case?

**The Hon. PENNY SHARPE:** The first thing I would say is that there are those people who told me that there were less than 2,000 horses in Kosciuszko National Park. I can advise the Committee—and these numbers are well known—that over 6,000 horses have been removed from the park in the last 12 months. In fact, I think it's more than that. I can give you the numbers. Since the plan commenced, the total number of horses removed from the park has been 8,954. What I wanted to say to you about this is that the most recent count was done in October. We actually have used a new group of people that are doing that and they have done the count. I can confirm to the Committee that the numbers are way down. I don't have the final numbers, but we are around the 3,000 to 4,000 mark. This is being peer reviewed and it's taking some time. That's why that hasn't been announced—hasn't been finalised. But the thing that I really—

**The Hon. WES FANG:** I've got 10 seconds left. I just want to ask one more question on that. Did you trial the other type of count that you indicated would be—

**The Hon. PENNY SHARPE:** Marked recount?

**The Hon. WES FANG:** Yes.

**The Hon. PENNY SHARPE:** I can get you details of exactly what else was done but, as we've said—mark-recapture and those kind of issues. We're trying to improve the count all the time. But the main thing for people to realise is that I've never given that there was one number. I've always said that there was between 12,000 and 20,000. I actually stopped the previous practice of just picking the middle number. I think that the figures that we're showing is that that's probably about right. We're waiting for the final count. The thing that I'd say is that, even if it's slightly under 3,000, I don't believe that we're in breach of the Act. But what we will be doing is—it means we won't need to be doing aerial shooting anymore and we can get into what we want to do, which is actually manage that population, do the work on reproductive control and see where that takes us.

**The Hon. WES FANG:** So we could be below 3,000? Is that correct?

**The Hon. PENNY SHARPE:** No, I'm not saying that. What I'm saying to you—and this is what I want to show you. This is the difference. This is what the bogs looked like. They were all trashed and terrible. We've removed almost 9,000 horses from the park—

**The Hon. WES FANG:** Last time you came with a beautiful big picture and now you've come with an A3 print that none of us can see on that camera.

**The Hon. PENNY SHARPE:** You'll be very lucky, because I seek leave to actually table them to the Committee. I've got copies for everyone.

**The Hon. WES FANG:** That's better. Usually you spend a decent amount of money. The budget must be being cut.

**The Hon. PENNY SHARPE:** We're very prudent with the way in which we use public money, Mr Fang.

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**CORRECTED**

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**The CHAIR:** We're now in crossbench time.

**The Hon. PENNY SHARPE:** My apologies—but the point being that the numbers are coming.

**The Hon. JOHN RUDDICK:** Still on Mount Warning—in a meeting attended by yourself on 22 February last year, a member of the Wollumbin Consultative Group is quoted as saying, "Let's start the process of entering into a part 4A leaseback arrangement." Is arranging this part 4A leaseback arrangement the reason for the continued temporary closure of the summit track?

**The Hon. PENNY SHARPE:** No.

**The Hon. JOHN RUDDICK:** Is the Minister planning on handing over ownership and control of Mount Warning National Park to the Wollumbin Consultative Group under a part 4A agreement?

**The Hon. PENNY SHARPE:** The short answer is no, but it's more nuanced than that. Because, as I said, the whole conversation about the management of the parks, what form joint management takes—it doesn't necessarily need to be part 4A and there are differing views within the community in relation to that. Really, I just need to go back to where I'm at, which is that we've extended the ban until the end of the year, as you would be aware. I'm hoping that we can work through and actually provide a pathway for what happens in the future before then. But this is not straightforward and we continue to work with people in relation to that. There are a whole lot of people that have got a whole lot of views. Many of them don't agree with each other.

**The Hon. JOHN RUDDICK:** When we do get to the end of this process and we have a long-term arrangement, are you confident that the public is going to be able to access the national park?

**The Hon. PENNY SHARPE:** In terms of accessing the national park, yes. In terms of where and when and how, that's a different question, and the way in which the summit is able to be accessed is still an ongoing discussion.

**The Hon. JOHN RUDDICK:** Minutes of the meeting show an acknowledgement by National Parks and Wildlife Service of the economic importance of the summit climb to local businesses. Given National Parks' temporary closure of the summit route will be five years on 30 March this year—unhappy anniversary—and the economic damage of the closure is estimated by some to be about \$75 million to local businesses, does the Government have any plans to compensate businesses for lost income arising from the Government's decision?

**The Hon. PENNY SHARPE:** No, we don't have plans to do compensation, but we do have plans to try to work this out for the future.

**The Hon. JOHN RUDDICK:** Do you acknowledge that there have been lots of businesses that have been acutely negatively affected by the Government's decision to stop accessing—

**The Hon. PENNY SHARPE:** I know that there have been some businesses that have had a big impact, but also there have been other impacts that have occurred—COVID and roadworks that have locked off access in relation to that. There has been some really positive news in terms of what the Government has done around driving other tourism opportunities on the North Coast as well. The rail trail is a roaring success, the numbers of people that are using that rail trail appearing to be on par with some of the climbing that used to occur. It's a dynamic situation. Yes, I know some people have been severely affected. I wouldn't say it has just been because of the closure of the summit. There are a lot of other intersecting issues that have also impacted that area.

**The Hon. JOHN RUDDICK:** I think the Northern Rivers area is certainly back on its feet after COVID, but the towns of Uki and Murwillumbah definitely—

**The Hon. PENNY SHARPE:** Those ones that are very close, of course there's been impact, yes.

**The Hon. JOHN RUDDICK:** Former environment Minister James Griffin announced the development of a new model for Aboriginal joint management of New South Wales national parks on 3 July 2022. A new Aboriginal Joint Management Unit was established by the NSW National Parks and Wildlife Service to oversee the development of the proposed new model. Stage one consultations are complete, and National Parks is now moving to stage two. Stages one and two are limited to Aboriginal groups, whereas the general public may only get involved at stage three, when the model is complete or at least near complete. Am I right to fear that this opportunity to get involved by non-Aboriginal groups will not be communicated widely?

**The Hon. PENNY SHARPE:** Sorry, that was a very long question, but my answer to that is no. National parks are some of the most precious assets that this State has. We give them the highest level of land protection for that very reason. We're getting close to 10 per cent of our State being a protected area through a national park or the various reserve systems. It's something that New South Wales should be very proud of. The other part of that, which is intrinsic to that, is the Aboriginal cultural heritage that also sits within and on all of those parks.

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**CORRECTED**

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There has been decades-long work with Aboriginal communities, traditional owners. I'm very proud that National Parks and Wildlife Service has the highest number of Aboriginal people working in it, at about 14 per cent. These are deep relationships with the community that value the incredible literally 60,000 years worth of heritage within those parks.

That's a very long way of saying that we're always looking for ways for—and the previous Government was committed to—joint ownership and management. As I've said to you, that occurs in a range of different ways. Sometimes there are MOUs; sometimes there are Aboriginal places; sometimes there's part 4A. That's the conversation that we're having with Aboriginal communities all around the State—around how we can work with them and how we can protect that heritage, but also how do we share that heritage with the entire community.

It's a very long way of saying, yes, of course the broader community has a conversation about that, but we also are doing some work. The sad reality is that we haven't even done a lot of the work that traditional owners are wanting to do now to even map some of the incredible sites that we have. We're finding sites that have been there for tens of thousands of years that no-one has recognised that we are looking at protecting. We've just acquired a property—Broughton Vale, west of Broken Hill—that has a very important Aboriginal place on it that we recognise and want to value.

In terms of whether everyone can access those all the time, there's different management in different places. Some are sensitive; that's not unusual. We have a range of other items and areas. People can't and go visit the Wollemi pine, for example, in the national parks, but it doesn't mean it's not valued. That's a very long way of answering your question, Mr Ruddick, but, really, national parks are an asset for all of us. Aboriginal communities have a very special place within that in terms of how they manage that and the fact that it was originally Aboriginal land. We're working through the way in which that can operate.

**The Hon. JOHN RUDDICK:** You would acknowledge that there are a large number of Australians who do not have an Aboriginal ancestor but have a deep natural love of national parks.

**The Hon. PENNY SHARPE:** Sure.

**The Hon. JOHN RUDDICK:** Our Chair has spent a lot of time in national parks.

**The Hon. PENNY SHARPE:** And myself, of course—all of us. Everyone should love national parks. As I said, they're our most precious asset. Someone has just given me a note which is very helpful. Stage one consultation—so this would've happened before I was the Minister—actually had broader groups. It wasn't just with Aboriginal communities. I can confirm that.

**The Hon. JOHN RUDDICK:** The facilitators of the consultation are the Thirriwirri, and the report I refer to is the *Regional Aboriginal Workshop Aboriginal Community Engagement Report*. The report states:

Participants also identified opportunities to generate economic benefits to communities from royalties and fees derived from third parties accessing parks for commercial purposes.

...

People called for equal or majority Aboriginal representation on any joint management governing body, with a view also put forward that the governing body should consist of Aboriginal people only.

Most concerningly, it also notes:

... many raised a desire to not only own the parks outright, but to be able to transition from joint-management to full-community management, even though this is not within the scope of the NSW Government proposal to establish a new joint-management model.

Minister, do you support majority Aboriginal representation on any joint management governing body?

**The Hon. PENNY SHARPE:** We already have that in the case of the part 4As, which are by far Aboriginal majority, with some community members on them. So that model is already in existence. When was that report done? Was that done by the previous Government or is that a new one?

**The Hon. JOHN RUDDICK:** I don't have the date here, but I will get that to you.

**The Hon. PENNY SHARPE:** I think it's an older one. Regardless, it doesn't surprise me at all that consultation with Aboriginal people—they have strong views around the way in which national parks operate, the opportunities there are for caring for country, for economic empowerment and for working through that land management. As I said, in national parks in New South Wales, 14 per cent of our staff are Aboriginal people. It's a place that Aboriginal people, I hope and I know, like to work. Also, it gives a huge amount of opportunity for Aboriginal businesses to do work on country, sharing cultural heritage and the specialness of the places. It's a great strength.

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**CORRECTED**

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**The Hon. JOHN RUDDICK:** Am I right to be fearful that we could be on track in the next 15 to 20 years to have every national park in New South Wales handed over to Aboriginal ownership under these—

**The Hon. PENNY SHARPE:** No.

**The Hon. JOHN RUDDICK:** That's not the case?

**The Hon. PENNY SHARPE:** No. As I said to you, there are different arrangements in different places that we need to work through. Not all Aboriginal people are the same. Not all Aboriginal people, in relation to traditional owners, have the same views around the ways that these are managed. The fact that we give this highest level of protection to national parks means that they're an asset that we all need to look after. I'm not quite sure what your concerns are, other than—

**The Hon. JOHN RUDDICK:** I'm worried that under these part 4A agreements, we give the ownership of the national park to a local land council and then we immediately enter into a lease where the National Parks and Wildlife Service can continue to—

**The Hon. PENNY SHARPE:** Yes.

**The Hon. JOHN RUDDICK:** But that lease goes for 30 years. What happens after 30 years if the land council says they don't want to re-enter into a lease?

**The Hon. PENNY SHARPE:** It's renegotiated, so that's what we do. That's the whole idea. My understanding is that hasn't—they take a variety of forms, and this is what we do. This is a partnership approach with Aboriginal people that we take very seriously that has led to great strengths. I again encourage you to go out to Mutawintji or to other parks to really—Mount Grenfell Historic Site, I was very privileged to go and have a look at last year. When you see what the traditional owners are able to do on park with their communities, but also the education piece in the broader community, it is a very special thing that we're able to do that very few nations on earth are able to do, and I'm very proud of it.

**The CHAIR:** Minister, I want to pick up very quickly on something in the previous round of questioning about the Great Koala National Park work and the ACCUs work being similar or some of the same things. If we can't generate ACCUs from the Great Koala National Park area, or as many as one may have thought, can you confirm if that would have any impact on the final decision about the size of the Great Koala National Park?

**The Hon. PENNY SHARPE:** I think we need to take a couple of steps back. In terms of the carbon method, to be very clear, it's an independent process that's done at arm's length from the Federal Government. It's done through the Federal Government. As part of the examination of the Great Koala National Park, we asked Professor Macintosh from ANU, who's an expert in the field, to work up a potential way that we could look at whether we can generate ACCUs through the creation of the national park. That process is far from finished. It's been added to the list.

It's something that sits with an independent group from—there's a lot of technical words; I'll just get you the right words. The Federal Emissions Reduction Assurance Committee, better known as ERAC, is basically assessing the method. They're going through that process. There's a public part of that where people can challenge it or kick the tyres on it or provide input. Whether they put that forward or not is yet to be determined. That's not something that I have control over. That's a very long way of saying our commitment to the Great Koala National Park remains. The impact of ACCUs could be positive or, if we don't have enough negative, it doesn't mean we're stepping away from that commitment.

**The CHAIR:** Will any decision by the Government on generating ACCUs play a role in assessing the creation and expansion of any new protected areas?

**The Hon. PENNY SHARPE:** The ACCU method is being developed so that we can apply it to the Great Koala National Park. That's what it's for.

**The CHAIR:** Is it your view that national parks should be used to allow the continuation of emissions-generating industries in the balance or pay-off of any offsets rather than actually reducing emissions?

**The Hon. PENNY SHARPE:** I think that you'd find that national parks basically are probably carbon positive anyway. But the point that I would make here is that there are opportunities for us if the methods are rigorous—which is why we got Andrew Macintosh to do this work—and we believe that we can sequester carbon and generate ACCUs, and we would be able to apply them, which means that we would get funding to restore and look after that landscape. That's something that I'm interested in. Whether it plays out, that's what we're willing to do. I understand that some people believe that we shouldn't have ACCUs at all and people just need to reduce their emissions.

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**CORRECTED**

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**The CHAIR:** Would you consider, though, ruling out certain really polluting high-emissions generators from being able to access any component of a public forest or protected area generated credit?

**The Hon. PENNY SHARPE:** I think we're getting a bit ahead of ourselves. Let's just see whether the method is actually there. Obviously, the policy parameters around the way in which the Government may implement that are yet to be determined.

**The CHAIR:** Just going to the net zero annual report, we saw in that that there was a clear finding about the New South Wales climate change emissions reduction targets being in real jeopardy based on expanded coalmines and extensions, so new coal in New South Wales. It's an urgent matter, given that DPHI is likely to make decisions in the next few months on two major projects. The Tahmoor South coalmine project is the third highest emitting coalmine in New South Wales. What will you do, Minister, to take urgent action on any of these new projects given the Net Zero Commission's advice in the annual report?

**The Hon. PENNY SHARPE:** I'll tell you what we've done, and I'm sure that you can take Mr Chappel through this this afternoon if you're interested. All of the work that the EPA has done regarding high emitters and the guidelines and the way in which they have to account for emissions through the planning framework—that has been an enormous piece of work that has now finalised and is being applied to new projects that are coming through the system. I have written—did I write to Mr Scully? I've got to remember. I wrote to the planning Minister, who then wrote to the IPC.

**The CHAIR:** You did.

**The Hon. PENNY SHARPE:** I just couldn't remember which person I'd signed the letter to. It obviously shows the implications and asks the IPC to consider those things. They're the things that we're doing.

**The CHAIR:** I realise that, and obviously when we saw the letters we were incredibly grateful that action was being taken. But since then the Net Zero Commission has tabled its annual report and, as you say, we will examine that in the inquiry. Do you think that, at this point now, given that they have made that statement in no uncertain terms—this is a real problem area, they say. We're really concerned as well about the glaring fact that some sectors are going to be overburdened if other sectors don't do the heavy lifting. Are you inclined to be providing advice or asking the Net Zero Commission? You request advice of the Net Zero Commission under your powers or the powers under section 15 (3) of the net zero future legislation to provide advice about what we can do about this. It does seem pretty clear: Coal, and that sector, is a problem. It's not doing or proposing to do the heavy lifting. Other sectors are going to have to do that lifting. Are you inclined, now you have that knowledge on the table, to provide advice or request further advice in relation to this?

**The Hon. PENNY SHARPE:** I think all sectors have to do the heavy lifting. Transport has to do it. We've got some pretty big challenges there. Agriculture's got to pick up some or all of that. That's why we have the Net Zero Commission; that's why we have the report. But the way in which we'll respond to that is formally via our final report for them.

**The CHAIR:** Would you consider, though, asking the Net Zero Commission to provide specific advice on that particularly obvious factor in their annual report? Would you consider that?

**The Hon. PENNY SHARPE:** I don't know whether you've met our commissioners. They've got pretty strong views about what they're going to do. They are actually independent. I try not to direct them. I do realise that I'm able to ask them. I'll consider it. But my focus is really about the commission and getting the Government to implement the recommendations as we're working through the whole-of-government response and as we're working through the parliamentary inquiry, which no doubt will make recommendations as well. The Government knows that this is urgent. We've taken more action in the last two years than has happened in the last 20.

**The CHAIR:** In relation to the annual report—and we will examine it—are you cognisant of those parts of the report where they make very clear the benefits of protecting forests for their carbon benefit and what that could do for the carbon budget of New South Wales—just forests alone, if we were to protect them?

**The Hon. PENNY SHARPE:** The good news they also tell us is that land use has actually done the most—is doing a lot of the heavy lifting in relation to this. So, yes, I am aware of it.

**The CHAIR:** Do you have updated figures in terms of where we are tracking?

**The Hon. PENNY SHARPE:** No. I can take it on notice. I'm not sure how often they're updated. I know that people are working on the dashboard all the time, but I'll take that on notice.

**The CHAIR:** Because what we saw is that between 2005 and 2022, we had a decrease of 27 per cent, but 18 per cent of that is the land use sector. So when you look, it's not that great, is it?

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**CORRECTED**

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**The Hon. PENNY SHARPE:** Look, it's really hard. Let's also be very clear about international factors, where people are walking away from climate targets and reducing emissions. Walking away from renewable energy projects is catastrophic for the future of the planet. New South Wales is not doing that. We're actually going in the other direction, and we're doing it. I know that some people want that to be faster, but I would happily stand by the urgency with which we're taking this, the importance with which we're embedding it across government, and the consideration that's given with all of the challenges that come here, to make sure we meet those emissions reduction targets.

**The CHAIR:** You received heritage listing advice about the Ravensworth estate before Christmas in 2023. In March 2024 you said you have a decision to make, and that a listing decision was under active consideration. Are you able to provide an update about this? Because there seems to be an extraordinary delay, and I'm concerned about the law being applied. I mean, decisions are meant to be made within 14 days.

**The Hon. PENNY SHARPE:** I think other than Ravensworth, every other decision I've made in Heritage has been within that statutory figure. Yes, I'm aware that I'm over time, but it remains under consideration.

**The CHAIR:** Is there any indication of when we will receive a decision?

**The Hon. WES FANG:** Soon.

**The Hon. PENNY SHARPE:** Yes, "soon" is right, as soon as I can. I mean—

**The Hon. WES FANG:** Where's my white card?

**The Hon. PENNY SHARPE:** Yes, soon.

**The Hon. NICHOLE OVERALL:** With those numbers you've just mentioned on the brumbies count—so shooting of brumbies has now ceased and won't recommence?

**The Hon. PENNY SHARPE:** Aerial shooting of brumbies has ceased in Kosciuszko National Park. It is occurring in other places. It has occurred at the Warragamba catchment area and also at Barrington Tops, but it has ceased for now, because we believe we've actually met the target and the numbers are coming down, and we're moving into what was always intended, which was about population control in the Kosciuszko.

**The Hon. NICHOLE OVERALL:** So the focus is going to be the management from this point?

**The Hon. PENNY SHARPE:** It is. I mean, we need to see how it goes. Let's try to work out exactly how many we've got. But the point here is that we've started the work to see what's the best practice. I know that the Hon. Emma Hurst has a lot of views on this, and she's talked to me about this at length around best reproductive control. Could we try that? We'll still be doing rehoming. They're still going to be breeding. We're not doing a boom-and-bust cycle. This is not about getting the numbers down—

**The Hon. NICHOLE OVERALL:** No, it's about management—

**The Hon. PENNY SHARPE:** —and then just letting them get back up again. That's not the idea.

**The Hon. NICHOLE OVERALL:** —in accordance with the management plan.

**The Hon. PENNY SHARPE:** There will still be trapping. There will still be rehoming. I anticipate that there will be some ground shooting that occurs, but basically it means that, no, the need to actually have them shot from helicopters is not needed any more, because of the excellent work that the staff have done.

**The CHAIR:** Could I just follow up from that? If, though, the staff think that aerial culling or aerial shooting for the broader management outside of the retention areas is required, as, say, for deer, pigs et cetera, that's still on the table?

**The Hon. PENNY SHARPE:** Yes. I think that's right. Don't forget that the only way where—the issue is specifically Kosciuszko and specifically horses, but aerial shooting occurs across all national parks for pigs, dogs, cats, rabbits, goats, camels. There's a whole range of that work. The staff that do it are incredibly skilled and incredibly careful about the way that they do that, and they do that as carefully as possible. But yes, that will continue to happen. I'm not saying that there's an end to aerial shooting.

**The CHAIR:** Will your department do anything about releasing the Forest Industry Action Plan? I know that this is the Minister for Agriculture's responsibility, primarily, but—

**The Hon. PENNY SHARPE:** We're involved in Government decisions in relation to that, yes.

**The CHAIR:** I knew it was a whole-of-government decision. Do you know when we can expect the outcome of that process that was taken?



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**CORRECTED**

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**The Hon. PENNY SHARPE:** No, that I can't give you.

**The CHAIR:** We will now go to Government questions, of which I'm sure there's many.

**The Hon. MARK BUTTIGIEG:** We're all good, thank you. We're very happy with the comprehensive answers by the Minister.

**The Hon. WES FANG:** You don't want to mop up that Mandala stuff?

**The Hon. PENNY SHARPE:** Nothing to mop up.

**The Hon. PETER PRIMROSE:** We've already had answers to them all.

**The Hon. WES FANG:** The conflict/non-conflict, maybe, sort of, kind of?

**The Hon. MARK BUTTIGIEG:** You've been very disappointing today, Wes. I would have thought you would have been a bit more antagonistic.

**The Hon. PENNY SHARPE:** No tabled documents! Where's my tabled documents with the wrong numbers on them? I've been looking forward to them.

**The Hon. NICHOLE OVERALL:** He's being a perfect gentleman.

**The CHAIR:** Surely the Government wants to ask the Minister whether the guidelines are the same as they are under this Government as they were under the last Government?

**The Hon. PETER PRIMROSE:** We can ask the Minister. We talk to the Minister.

**The Hon. PENNY SHARPE:** Before we go, I think Mr Lean has actually got something he wants to talk to you about, about the water sharing plans.

**ANTHONY LEAN:** I just wanted to confirm for Mr Ruddick that, yes, there will be a further period of stakeholder consultation once the revised wetland mapping is settled. And we'll be conducting a webinar with interested parties to explain the approach and the position that's going out in the further draft for consultation.

**The Hon. JOHN RUDDICK:** How will the public know about that? Because I'm just fearful that sometimes when the Government doesn't really want consultation, they don't promote it widely.

**ANTHONY LEAN:** We will make sure that there is a high level of awareness. We're certainly talking to key industry bodies like NSW Farmers. We'll also look at putting stuff on our website and, if necessary, we'll also advertise publicly.

**The Hon. PENNY SHARPE:** You should sign up to the Water Group e-news. I'm a member; I'm on it. I get regular updates from them.

**The CHAIR:** I'm a member too.

**The Hon. JOHN RUDDICK:** An important point, Mr Lean—you did say it's optional that you might advertise it to the public. You might speak to the farmers and a few other people. But surely we should be communicating it widely to the people it's going to impact?

**ANTHONY LEAN:** We will endeavour to do that. You can have my assurance on that.

**The CHAIR:** We'll now take a short break and we'll be back at 11.15. Thank you.

**(Short adjournment)**

**The CHAIR:** Welcome back. We will now go back to the Opposition for questions.

**The Hon. NATALIE WARD:** Minister, you met with Experience Co Limited on 5 September last year. Are the Wild Bush Luxury cabins in the Gardens of Stone conservation area on track to open this year?

**The Hon. PENNY SHARPE:** I don't know the time frame because the final decision hasn't been made. There has been extensive community consultation in relation to Gardens of Stone, but the decision was made that we'll go out for the review of environmental factors, in terms of the impact of the cabins, at the same time so that we don't have to do it twice. That process is underway.

**The Hon. NATALIE WARD:** It says on the Wild Bush Luxury website that they'll be opening in 2025. Is that happening?

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**CORRECTED**

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**The Hon. PENNY SHARPE:** I'm unaware of that. That's possible, but the final decision hasn't been made because we're doing the review of environmental factors.

**The Hon. NATALIE WARD:** Will you update the website to say that?

**The Hon. PENNY SHARPE:** It's not my website.

**The Hon. NATALIE WARD:** Will you indicate to them that it would be good if they could—

**The Hon. PENNY SHARPE:** Now that you've drawn it to my attention, sure.

**The Hon. NATALIE WARD:** Are you supportive of more cabins in national parks?

**The Hon. PENNY SHARPE:** I'm supportive of more people accessing them and, with the appropriate infrastructure, as many people enjoying national parks as they can, so yes.

**The Hon. NATALIE WARD:** Is that a yes to cabins?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** Do you think cabins or hard infrastructure should be included in any of the other great walks being built in national parks around the State?

**The Hon. PENNY SHARPE:** There are different approaches in different walks. For example, the Grand Cliff Top Walk in the Blue Mountains is off park, utilising all of the beautiful places to stay in the Blue Mountains. It's a little bit case by case, so I don't have a blanket view on any of these things. What I do want is for as many people to be able to access parks, for people to be able to enjoy them and for people to be able to stay overnight in them. There are a whole range of different accommodation types, from lighthouses through to tents, so it depends.

**The Hon. NATALIE WARD:** It's a pretty broad proposition. Are you supportive of more cabins being built in national parks for those people to enjoy them and stay overnight, as you suggest?

**The Hon. PENNY SHARPE:** As I said, it's a case-by-case proposition. It depends on the way in which it's suggested. We've got a number of different great walks. There is a range of different accommodation opportunities being considered. It depends on what comes before me.

**The Hon. NATALIE WARD:** Can I go back to something that we were talking about earlier: renewable energy. I want to be clear about what you're indicating today. You said that you do agree that the renewable energy industry requires certainty, and massive capital investments are dependent on it. Do you agree with that?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** Earlier, you weren't able to commit to not slowing down or changing the published gigawatts of REZs as a result of the impending Transmission Planning Review. Those comments have caused some concern in the renewables industry. Would you like to clarify that position or expand on it?

**The Hon. PENNY SHARPE:** I don't understand the nature of the question that you're asking.

**The Hon. NATALIE WARD:** Specifically either to the slowing down of the rollout or of changing the published gigawatts of REZs.

**The Hon. PENNY SHARPE:** You're conflating a number of different issues that require different decisions of different types.

**The Hon. NATALIE WARD:** Let's deal with each of them.

**The Hon. PENNY SHARPE:** I'm happy to do that. As I have often stated—and nothing has changed here—the rollout of transmission lines needs to happen as quickly as possible, obviously working closely with communities. You might want to talk to some of your National Party friends in terms of some of the hostility that they have in relation to these matters.

**The Hon. WES FANG:** I'm not sure that's going to happen.

**The Hon. NATALIE WARD:** I'm here to ask you.

**The Hon. PENNY SHARPE:** You don't talk to each other. That's fine.

**The Hon. NATALIE WARD:** Some of us are clear about our roles.

**The Hon. PENNY SHARPE:** It's a very serious matter. We're trying to roll these out as quickly as we can. There's no doubt about that. I don't think there is any concern in the industry in relation to that.

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**CORRECTED**

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**The Hon. NATALIE WARD:** I think there is.

**The Hon. PENNY SHARPE:** If you're talking about the transmission—

**The Hon. NATALIE WARD:** Just to clarify that, the feedback is—

**The Hon. PENNY SHARPE:** Are you going to let me finish? The transmission review—

**The Hon. NATALIE WARD:** I'm responding to your point that there's no concern in the industry. The feedback that we have received, and the reason I'm asking the questions of you today, Minister, is that there is concern in the industry from those comments.

**The Hon. PENNY SHARPE:** What specifically is the concern?

**The Hon. NATALIE WARD:** I ask the questions.

**The Hon. PENNY SHARPE:** You can't tell me.

**The Hon. NATALIE WARD:** I have asked that you clarify—

**The Hon. PENNY SHARPE:** I'm trying to tell you, but you're not being specific. I can't answer your question.

**The Hon. NATALIE WARD:** I'm not here to answer your questions. You can filibuster all you like. I'd ask that you clarify your position on each of those two—slowing down the rollout or changing the published gigawatts.

**The Hon. PENNY SHARPE:** One, we're doing the rollout as quickly as we can, with the caveats that some of the National Party needs to get on board and you need to talk to your Federal colleagues around nuclear, because if you really want to slow down transmission and the nuclear plan is actually going to get there—

**The Hon. NATALIE WARD:** No, let's talk about you, your ministry, your department and your response.

**The Hon. PENNY SHARPE:** The third part of it is the transmission review. The reason we're doing the transmission review is we want to make sure that we've got the right process. The challenge that we have is that the previous Government sold the transmission lines and we have one monopoly provider.

**The Hon. NATALIE WARD:** Will you slow down the rollout?

**The Hon. PENNY SHARPE:** The work that the bipartisan road map has delivered is contestability in relation to transmission, which has been very good. That's ACERENZ, and there are others. As I said, we're working with Transgrid on the HTP, and we're working—

**The Hon. NATALIE WARD:** Sure. Let's get to those two specifics, given the limited time.

**The Hon. PENNY SHARPE:** I'm trying to explain to you what it is. The review of the transmission planning is about making sure that we've got the right levers and the architecture of government there. That doesn't stop for a minute the work that we're pushing out that is already being undertaken.

**The Hon. NATALIE WARD:** So you don't want to expand on those two specific propositions—the slowing down of the rollout or changing the published gigawatts of REZs?

**The Hon. PENNY SHARPE:** It's been asked and answered. There's no slowdown—as quickly as we can. The transmission review is important but doesn't stop the work that's already underway.

**The Hon. NATALIE WARD:** Anything else you want to clarify on that so that the industry concerns are allayed?

**The Hon. PENNY SHARPE:** The other thing I'd say is that transmission planning doesn't affect the size or the timing of the REZs.

**The Hon. NATALIE WARD:** Will the Transmission Planning Review potentially change the published gigawatts of REZs?

**The Hon. PENNY SHARPE:** No. I have just said that.

**The Hon. NATALIE WARD:** You're happy with that?

**The Hon. PENNY SHARPE:** Yes.

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**CORRECTED**

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**The Hon. NATALIE WARD:** Let's go back to the State of the Environment report. Why hasn't that State of the Environment report 2024 been produced and tabled in Parliament?

**The Hon. PENNY SHARPE:** It's close. I'll hand to Mr Chappel. He can tell you where it's up to.

**The Hon. NATALIE WARD:** Sure. The last report was tabled in 2021.

**TONY CHAPPEL:** I think it was 2022.

**The Hon. PENNY SHARPE:** It's a five-year report.

**The Hon. NATALIE WARD:** So why hasn't 2024's been produced and tabled?

**TONY CHAPPEL:** It has been produced. It is in final peer review. There are a number of sections finishing their refinement. It will be shortly presented in final form for tabling. It's very much on track. My understanding is that the previous report, whilst it dealt with data up to the end of 2021, was tabled in 2022. It's quite a standard timeline.

**The Hon. NATALIE WARD:** The 2021 report has been tabled. We have got another shortly. Can you clarify what "shortly" might—we're getting a lot of "shortlys" and "soons" today.

**The Hon. PENNY SHARPE:** They're every three years.

**The Hon. NATALIE WARD:** So when?

**The Hon. PENNY SHARPE:** Soon.

**The Hon. NATALIE WARD:** First half of 2025 or the second half of 2025?

**The Hon. PENNY SHARPE:** Soon. It's a really important report.

**The Hon. NATALIE WARD:** There are lots of "soons" today. I'm getting a whole lot of clarity around "soon". Don't you find it concerning that the most current State of the Environment report is still not available?

**The Hon. PENNY SHARPE:** No, I don't find it concerning. What I want to do is make sure that it's right and that it's peer reviewed. This is not something that is just written internally. It's something that has got very important datasets that measure over time the health of our environment, whether it's waterways, soil, air quality or threatened species—all of those things. We need to make sure that it's correct. It's heavily based on science. We'll put it out as soon as we can.

**The Hon. NATALIE WARD:** So it's important but not urgent?

**The Hon. PENNY SHARPE:** Everything I do is urgent.

**The Hon. NATALIE WARD:** Good to know. As of today, no new marine parks have been established in New South Wales since you've come to office. Do you intend on creating any marine parks?

**The Hon. PENNY SHARPE:** That's not currently the plan, no. There is the work in relation to the marine network management plan, which I'm working with Minister Moriarty on. There is a need to refresh and work through a lot of the rules of the various marine parks. That's extremely important. There are two real opportunities for new marine parks, as you'd be aware. One is Sydney Basin and one is further south. At the moment, there is not an intention to create new ones.

**The Hon. NATALIE WARD:** So there's potential but not any plans to do so at this point. Good to know. You met with the mayor of Waverley Council in April last year about shark nets. Do you remember that?

**The Hon. PENNY SHARPE:** Yes. Is that the previous mayor?

**The Hon. NATALIE WARD:** Her view on shark nets is very clear, along with most councils. She wants them removed. Are you clear on that?

**The Hon. PENNY SHARPE:** Very clear.

**The Hon. NATALIE WARD:** Have you asked Minister Moriarty about whether she wants to remove shark nets once the nets come out this season?

**The Hon. PENNY SHARPE:** The first thing I would say is that I'm not the Minister responsible for shark nets, but there is a good process that's currently underway. I know that Minister Moriarty—and I'd refer you to her comments in her budget estimates hearing—talked about working with councils around whether they want to have other mitigation methods rather than nets into the future. That work is ongoing. I encourage that work to be undertaken.

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**CORRECTED**

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**The Hon. NATALIE WARD:** Sure, but my question to you, Minister, is have you asked Minister Moriarty about whether she wants to remove them?

**The Hon. PENNY SHARPE:** Let's just say I talk to my ministerial colleagues all the time, Minister Moriarty being one of them. I'm not going to disclose to you the ins and outs of every conversation.

**The Hon. NATALIE WARD:** There are many stakeholder groups that are interested in this answer. Are you saying that you won't, if you haven't already, raise it with her specifically?

**The Hon. PENNY SHARPE:** As I've said to you, I talk to Minister Moriarty around a range of different things all the time, but I also don't disclose in public forums the nature of all of those conversations. Suffice to say, the two of us are very interested what's happening with the shark meshing program and will continue to be so.

**The Hon. NATALIE WARD:** So you have no plans to raise it with her, ask her about it, otherwise clarify it?

**The Hon. PENNY SHARPE:** We talk about many issues all the time. It's not about whether I have plans to talk to her about it or not. We will continue to liaise on the issues that impact both our portfolios, as we always have done and will continue to do.

**The Hon. NATALIE WARD:** What certainty can you provide to those stakeholder groups, then, that are interested in understanding whether that's a possibility?

**The Hon. PENNY SHARPE:** Asked and answered.

**The Hon. NATALIE WARD:** I'll tell them that.

**The Hon. PENNY SHARPE:** You can tell them that I continue to talk to my ministerial colleague on all areas where our portfolios intersect.

**The Hon. NATALIE WARD:** But you won't disclose anything specific. That's a reasonably below par set of answers to—

**The Hon. PENNY SHARPE:** I disagree with that.

**The Hon. NATALIE WARD:** I haven't finished. May I finish? May I ask the question?

**The Hon. PENNY SHARPE:** You're challenging my answer. I'm trying to give you the proper answer here. You've been a Minister so you should be aware of this.

**The Hon. NATALIE WARD:** This is not about me; this is about you and your portfolio in the eight minutes that I have left.

**The Hon. PENNY SHARPE:** Ministers talk to each other all the time about a range of issues. There are a number of things that are under Cabinet confidentiality that are worked through. I'm not in a position to tell you about those. But having said that, I think it's very clear that both Minister Moriarty and I have a great deal of interest in relation to marine conservation. We have some joint responsibilities around that and we continue to pursue them.

**The Hon. NATALIE WARD:** Given those lack of clear answers, if I can put it that way, in your portfolio as you sit here as a Minister, particularly in relation to the marine environment, no new marine parks, keeping shark nets in, is funding in the marine space an issue?

**The Hon. PENNY SHARPE:** You just made a lot of assertions, and I reject those assertions.

**The Hon. NATALIE WARD:** I asked you to clarify. You weren't able to provide any further clarification aside from you having conversations. My question is, is funding in the marine space an issue?

**The Hon. PENNY SHARPE:** No.

**The Hon. NATALIE WARD:** Really? All right.

**The Hon. PENNY SHARPE:** Sorry, if you want to go into the history of the funding that was provided previously, we can go into that, but you don't like me talking about the previous Government, so let's move on.

**The Hon. NATALIE WARD:** What I'd like to understand, and this Committee would like to understand, is your current position and you providing clarity to this Committee.

**The Hon. PENNY SHARPE:** Yes, which I've just told you. "Yes" or "no", how much more clarification do you need?

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**CORRECTED**

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**The Hon. NATALIE WARD:** The community have asked questions, and I think it's pretty lame—

**The Hon. PENNY SHARPE:** I'm giving very clear and direct responses.

**The Hon. NATALIE WARD:** —to be able to say that you're not prepared to answer it or provide that clarity given the great opportunity you have to do so today.

**The Hon. PENNY SHARPE:** Do I think there's a problem with the budget? No, I don't. I don't know how much clearer I can be.

**The Hon. NATALIE WARD:** Good to know. What's your view on energy from waste? Do you think we need it in New South Wales?

**The Hon. PENNY SHARPE:** You'd be aware there's a couple of things to know about this. There's a policy that was created by the previous Government, which we have continued, which is that there is the possibility of four energy-from-waste facilities in four designated areas across the State. At this point in time, there's only really one project that is viable and currently in the planning system, and that's the one at Tarago and that's going through the system. The New South Wales Government has just actually put out a discussion paper with the EPA—and you can raise this with Mr Chappel later this afternoon—in terms of consulting about where that's up to and what's going on with that.

**The Hon. NATALIE WARD:** Do you think we need it, though, in New South Wales?

**The Hon. PENNY SHARPE:** I suppose the thing that I would say to you is that we've got a waste crisis and I'm open to all options. We're basically on track to be running out of landfill for Greater Sydney by 2030. There's a range of activities that we're undertaking. Examining the future of energy from waste is one of those things. The other thing that I'd also say is that I've been asking the office of the chief scientist to give us an update in relation to the regulations around that. New South Wales has the strongest regulations in the world, as I understand, for this. But, yes, it's part of the conversation.

**The Hon. NATALIE WARD:** You mentioned Mr Chappel, and I'll take up that opportunity this afternoon, but the EPA says that the need for any additional energy-from-waste infrastructure precincts will be determined by a future-needs analysis to be conducted in 2025. Is this underway?

**The Hon. PENNY SHARPE:** Yes. There is a range of different things that we're doing around the waste issue because the window for us to actually fix this is closing very, very rapidly. We're doing work in relation to the waste infrastructure needs, so that's about processing and future needs. People would be aware that we've done FOGO. We're also doing a review of the waste levy and how that's driving recycling. We're looking at repair and re-use. We have our plastics work. We're looking at all of the ways because there has been some stagnation in relation to recycling rates. All of that sits together, and that's where energy waste comes from.

**The Hon. NATALIE WARD:** When can we expect to see this report?

**TONY CHAPPEL:** It will be 2025.

**The Hon. NATALIE WARD:** Soon?

**TONY CHAPPEL:** Absolutely.

**The Hon. NATALIE WARD:** Another soon?

**TONY CHAPPEL:** We've been consulting with industry and local government. I think there was a workshop just a week or so ago. I think in the next month or so we should have a public version of—

**The Hon. PENNY SHARPE:** We've been working very closely with the industry, because they need to be partner to it, and with local government. We've had a waste summit. There's a whole lot of work going into this.

**The Hon. NATALIE WARD:** So that will be completed this year, that report?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** It won't be like the State of the Environment report?

**The Hon. PENNY SHARPE:** The State of the Environment is an external report.

**TONY CHAPPEL:** That will definitely be completed, Ms Ward, and released as required.

**The Hon. NATALIE WARD:** The chief scientist in his report regarding asbestos has recommended that your Government considers bringing an end to the long-held zero tolerance approach of asbestos in waste. Do you support this?

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**CORRECTED**

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**The Hon. PENNY SHARPE:** We're currently looking at the report. I got it in December. It made for some light summer reading.

**The Hon. NATALIE WARD:** It was 11 December I think.

**The Hon. PENNY SHARPE:** Yes, I did, and I read it. The Government is doing a whole-of-government response. Asbestos, as people know, is a very challenging substance to deal with. It's very ubiquitous in the environment. This is why we asked the office of the chief scientist to deal with this. Ms Higginson knows this better than anyone. There have been long delays. We have been waiting on this report for quite a long time.

**The Hon. NATALIE WARD:** I think it actually was the Coalition that asked the office of the chief scientist to do this report.

**The Hon. PENNY SHARPE:** Exactly. Very good. Thanks for that.

**The Hon. NATALIE WARD:** And I refer to previous governments.

**The Hon. PENNY SHARPE:** It took a while, but we have it now so we're working through that. We've actually got an asbestos committee across government. People would be aware through the asbestos mulch challenge, which is currently before the courts with over 100 charges, that these things are not simple to deal with, but we'll be making recommendations. I'm not making any commitments around what we will or won't do because I need to get the input from all of our different agencies. It's not just a matter for me.

**The Hon. NATALIE WARD:** Okay, but you support the zero tolerance approach?

**The Hon. PENNY SHARPE:** I support making sure that we manage asbestos properly within the environment in a way that's safe.

**The Hon. NATALIE WARD:** What do you mean by that?

**The Hon. PENNY SHARPE:** I have nothing to add.

**The Hon. NATALIE WARD:** More than 4,000 people die from asbestos-related illnesses in Australia every year, Minister.

**The Hon. PENNY SHARPE:** Yes, I'm very well aware of that.

**The Hon. NATALIE WARD:** May I ask the question?

**The Hon. PENNY SHARPE:** I've been very involved with asbestos campaigning my entire political life.

**The Hon. NATALIE WARD:** Are you moving quickly enough on these reforms?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** But you can't answer about the zero tolerance approach.

**The Hon. PENNY SHARPE:** No, because these issues are very complicated. You may be aware, for example, that within workplaces there are different limits and there are changes in terms of what is going on federally. I'm not making any commitment either way because I need to see all of the advice and I haven't received it yet.

**The Hon. NATALIE WARD:** Are you aware that the EPA is only investigating 34.5 per cent of contaminated sites that it's made aware of across New South Wales and that figure has dropped from 92 per cent in 2018-19?

**The Hon. PENNY SHARPE:** I'm happy to get Mr Chappel to answer that.

**TONY CHAPPEL:** I'm happy to get some more detail on that as well.

**The Hon. NATALIE WARD:** We can deal with that this afternoon perhaps, Mr Chappel. COVID is being blamed for that delay, but there were no lockdowns in 2022-23. Surely this is unacceptable to you, Minister.

**The Hon. PENNY SHARPE:** You were in government for half of that. Let's just see. I'll take it on notice and come back to you.

**The Hon. NATALIE WARD:** There are more than 200 notices of significantly contaminated land on the EPA website. Does the Government have a long-term plan to clean up these contaminated sites across New South Wales?

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**CORRECTED**

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**The Hon. PENNY SHARPE:** We do, and I'm happy for Mr Chappel to talk about that. But as you would be aware, we need to move through with the resources that we've got.

**The Hon. NATALIE WARD:** What does that mean?

**The Hon. PENNY SHARPE:** It means that we do as many as we can with the resources that we've got.

**The Hon. NATALIE WARD:** Do you think it's acceptable that those sites languish as contaminated?

**The Hon. PENNY SHARPE:** Just to be clear, those sites I inherited from the previous Government that was in government for 12 years.

**The Hon. NATALIE WARD:** But it's on you. You've been in for two years now. It's on you.

**The Hon. PENNY SHARPE:** I'm answering your question.

**The Hon. NATALIE WARD:** You can blame the previous Government as long as you like, but the fact is these sites need to be cleaned up.

**The Hon. PENNY SHARPE:** You can't draw a line around your inaction. You can't draw a line under 12 years of inaction and then go, "Over to you."

**The Hon. NATALIE WARD:** But don't you think it's incumbent on you today to indicate to the community that you prioritise—

**The Hon. PENNY SHARPE:** I've been more up-front than your Minister ever was.

**The Hon. NATALIE WARD:** You can filibuster all you like—

**The Hon. PENNY SHARPE:** There's no filibustering going on here.

**The Hon. NATALIE WARD:** —but the fact is that you are the Minister sitting here today answering for these contaminated sites.

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** Do you think it's acceptable that these sites languish as contaminated sites?

**The Hon. PENNY SHARPE:** I think we're trying to clean up contaminated sites that have been in place for a long time as quickly as we can.

**The Hon. NATALIE WARD:** The blame game is not acceptable, is it? Action is a requirement.

**The Hon. PENNY SHARPE:** You're the one doing some sort of weird blame—

**The Hon. NATALIE WARD:** No, Minister, I'm just asking questions about contaminated sites—

**The Hon. PENNY SHARPE:** —but, again, I inherited these sites after 12 years of government from you, so fine.

**The Hon. NATALIE WARD:** —that the EPA seems to be only investigating 34.5 per cent of across New South Wales.

**The Hon. PENNY SHARPE:** Mr Chappel can take you through that. If you want him to answer now or he can take you through this afternoon, that's fine. I'm not across the detail of every single one of those sites. I'll simply say that we have contaminated land.

**The Hon. NATALIE WARD:** But dropping 92 per cent has got to be concerning to you, doesn't it?

**The Hon. PENNY SHARPE:** I'd let Mr Chappel answer in terms of where we're up to with that.

**The Hon. NATALIE WARD:** You have no concerns with that? You haven't raised it with him—"Why are we dropping this so much? What's going on?"

**The Hon. PENNY SHARPE:** I'm aware of contaminated sites. I want them to be cleaned up as quickly as we can with the resources that we've got.

**The Hon. TANIA MIHAILUK:** Minister, I was listening to your claim earlier that you had a mandate for the New South Wales net zero targets. The Federal Coalition has already pledged to scrap the two offshore wind farms. Will that impact, in your view, your net zero targets?

**The Hon. PENNY SHARPE:** No.



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**CORRECTED**

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**The Hon. TANIA MIHAILUK:** It won't have any impact whatsoever?

**The Hon. PENNY SHARPE:** No.

**The Hon. TANIA MIHAILUK:** Is that because—aren't you factoring those transmission lines in as well for—

**The Hon. PENNY SHARPE:** Not offshore wind, no.

**The Hon. TANIA MIHAILUK:** Connecting it to the grid and so forth?

**The Hon. PENNY SHARPE:** No.

**The Hon. TANIA MIHAILUK:** It doesn't affect the energy road map?

**The Hon. PENNY SHARPE:** No, the energy road map is about onshore, not offshore.

**The Hon. TANIA MIHAILUK:** Yes, but won't they have to connect into—

**The Hon. PENNY SHARPE:** Offshore wind is being explored by the Federal Government. If it is pursued then it would start to factor into our modelling. But I'm just checking. I'm 99.9 per cent sure that it has no impact because it's not being—

**The Hon. TANIA MIHAILUK:** It's not factored into your modelling at all.

**The Hon. PENNY SHARPE:** No.

**The Hon. TANIA MIHAILUK:** That's what I wanted to make sure. So, as the Federal Coalition makes those announcements, it has no impact whatsoever on the New South Wales net zero targets.

**The Hon. PENNY SHARPE:** No. What will have an impact on the New South Wales net zero targets is the proposal that we perhaps might move to nuclear energy rather than renewables. Because what it will do is it will mean that we'll need coal-fired power in the system for longer. It means that there will be delays in terms of the rollout of the renewable energy zones and there'll be a delay in relation to transmission being built because there won't be the certainty that there has been to date with the road map. That's my concern, but offshore wind is not.

**The Hon. TANIA MIHAILUK:** Having said that, in your view, would you be revisiting, then, these net zero targets if the Federal Coalition wins? If they get a mandate to pursue nuclear—

**The Hon. PENNY SHARPE:** No. The State Government will do—

**The Hon. TANIA MIHAILUK:** If they win, so to speak, they'll have a mandate for nuclear. Right?

**The Hon. PENNY SHARPE:** We're a long way from that.

**The Hon. TANIA MIHAILUK:** You just said you had a mandate for your net zero targets when you won in '23.

**The Hon. PENNY SHARPE:** I don't think I said that.

**The Hon. TANIA MIHAILUK:** You did. I've been listening intently all morning.

**The Hon. PENNY SHARPE:** I talked about the mandate for the koalas, but that's okay. I'm not walking away from it. We've legislated targets in New South Wales. We're committed to them, and we'll do everything that we can to meet them, regardless of what the Federal Government does.

**The Hon. TANIA MIHAILUK:** If the Federal Coalition wins, will you revisit the net zero targets that you've set for New South Wales?

**The Hon. PENNY SHARPE:** Let's just wait and see if they win. It's a hypothetical.

**The Hon. TANIA MIHAILUK:** Minister, I've taken an interest in this *NSW Plastics: The Way Forward* consultation that you've put forward.

**The Hon. PENNY SHARPE:** Good. Excellent.

**The Hon. TANIA MIHAILUK:** September 2024.

**The Hon. PENNY SHARPE:** Are you going to ask me about straws?

**The Hon. TANIA MIHAILUK:** No, I think I'll leave it for the Libertarians to ask you about straws. I must note that was banned under the former Government, right?

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**CORRECTED**

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**The Hon. PENNY SHARPE:** It was.

**The Hon. TANIA MIHAILUK:** I'm interested more in what you've banned under your Government in relation to plastics. You did note in your presentation, I think in your Minister's message, that there's 891,000 tonnes of plastic waste and only 14 per cent of that is recycled.

**The Hon. PENNY SHARPE:** Correct.

**The Hon. TANIA MIHAILUK:** I want to turn your attention to page 14.

**The Hon. PENNY SHARPE:** Sorry, I don't have it in front of me. Just read it out, what it is.

**The Hon. TANIA MIHAILUK:** I'll tell you what the issue is. It's about the single-use plastic beverage bottle lids and tethered lids. Right now, can you get those bottles in New South Wales?

**The Hon. PENNY SHARPE:** No. They do have them across Europe because they're required in Europe. I'm not sure if there are other places. But, no, in New South Wales and Australia generally, tethered lids are not used.

**The Hon. TANIA MIHAILUK:** I'm just trying to understand. In your report you've got a couple of actions—namely, that you're looking at a design process. Europe has already got it; I know they mandated it in 2019 and it's already up and running. We've already got bottles in New South Wales because we import quite a bit.

**The Hon. PENNY SHARPE:** The good news is that most of the bottles now, as a result of the CDS program—I don't know exactly what the percentage is; I don't want to mislead the Committee—are recycled. It's very high. They're manufactured and they just go back. They actually are being made into bottles, which is the idea, which is good progress.

**The Hon. TANIA MIHAILUK:** What's the progress with tethered lids? I don't understand why we're not proceeding with that. All your action plan says—this is why I'm interested, because you talk about plastic straws. That was a decision under the Coalition Government.

**The Hon. PENNY SHARPE:** Yes, that's been previously wound down.

**The Hon. TANIA MIHAILUK:** As far as I can see, Labor hasn't actually done anything for plastics yet. You've got a consultation paper and that's what you presented. You've said in there that you're going to be looking to introduce, as one of your actions, a design standard requiring these plastic lids to be tethered. Why wouldn't you just take on what Europe have got, if they've already got it all mandated? We're importing bottles, by the way. In fact, I wanted to bring you one.

**The Hon. PENNY SHARPE:** Have you got me one?

**The Hon. TANIA MIHAILUK:** Yes, I did.

**The Hon. PENNY SHARPE:** I love it. Is that a tethered lid?

**The Hon. TANIA MIHAILUK:** Yes, it is.

**The Hon. PENNY SHARPE:** It is a tethered lid.

**The Hon. TANIA MIHAILUK:** Well, I broke it, but I'll show you one that's not broken. But it took me a lot to break it.

**The Hon. PENNY SHARPE:** You never break things, Tania.

**The Hon. TANIA MIHAILUK:** They're like that.

**The Hon. PENNY SHARPE:** Yes, that's a tethered lid—very familiar.

**The Hon. TANIA MIHAILUK:** I get them from Fred's. I'll plug them—Fred's fruit barn in Edensor Park. We can go together, Minister. They sell them for \$2.50 a bottle—pretty cheap. What I don't understand is—they're everywhere now in Western Sydney and south-west Sydney.

**The Hon. PENNY SHARPE:** If they're imported ones they are.

**The Hon. TANIA MIHAILUK:** You can find them because everybody imports stuff from Europe.

**The Hon. PENNY SHARPE:** Yes.

**The Hon. TANIA MIHAILUK:** But Australian bottles don't have it. I don't understand why you haven't moved faster on that. As far as I can see, all you're going to do by 2030 is introduce, you hope, a design standard.

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**CORRECTED**

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Then you want to work with other States to ensure container deposit schemes across Australia accept these plastic bottles with tethered lids. What else is your commitment to tethered lids?

**The Hon. PENNY SHARPE:** So you understand what the process is, we've already got quite good legislation in relation to plastics. That was the first phase of what we do. There's a number of things that we're trying to do. We're working with the Feds in relation to reducing packaging from the beginning. Ideally, we just don't want this stuff in the system altogether, at all. We're also moving on the design of plastics and the plastics that can be used, because there is always going to be a need for some plastics. What we're wanting to do in terms of packaging and those kinds of things is that whatever plastic is in there can actually be recycled, because there are un-recyclable plastics that we're working through. There's then the discussion around how we—then we're also looking at the CDS. But that paper is the next phase, and then the Government will move to do phase-outs.

**The Hon. TANIA MIHAILUK:** But what's your commitment about tethered lids? I just can't understand it. I looked it up after I found this bottle, and your only commitment is to look at a design.

**The Hon. PENNY SHARPE:** It's good. I'll tell you why. New South Wales already takes lids. We're a bit different to other States. New South Wales already takes lids through our CDS. South Australia, for example, doesn't. One of the conversations—the Holy Grail of the Australian Federation is that you get the States all to work together and move with the Feds in one place so we actually make it easier for industry. I think that is good for us to do. That is often quite challenging to actually work out because each system operates—it's like rail gauges.

**The Hon. TANIA MIHAILUK:** And that'll take till 2030.

**The Hon. PENNY SHARPE:** Exactly.

**The Hon. TANIA MIHAILUK:** That's your target, till 2030?

**The Hon. PENNY SHARPE:** No, just let me finish. We're working through the issues of the plastics plan, and we'll be moving on further changes to reduce plastic this year.

**The Hon. TANIA MIHAILUK:** That's not what your report says. It doesn't say "this year". So are you going to—

**The Hon. PENNY SHARPE:** That report is about the options, and it's about when you can phase it out. We're trying to balance—

**The Hon. TANIA MIHAILUK:** No, it's actually your actions. It says your actions, with a time frame from 2030.

**The Hon. PENNY SHARPE:** Yes. We're trying to balance national harmonisation, working with industry, working with the community and being able to do this. I'm not apologetic about that. I've been very clear.

**The Hon. TANIA MIHAILUK:** I'm not asking you to be; I'm wondering why it's not quicker. I haven't got an issue with tethered lids.

**The Hon. PENNY SHARPE:** Great. I look forward to you supporting the tethered lids.

**The Hon. TANIA MIHAILUK:** I probably won't even be in Parliament by 2030 when you eventually have an action. Can I just ask you about—

**The Hon. WES FANG:** That's a bit pessimistic.

**The Hon. TANIA MIHAILUK:** I'm being realistic. Introducing a design standard—who is investigating this?

**The Hon. PENNY SHARPE:** Here we go. Talk to Mr Chappel; he can tell you about it.

**The Hon. TANIA MIHAILUK:** Have you already got someone investigating this?

**The Hon. PENNY SHARPE:** Talk to Mr Chappel; he can tell you all about this. This is his job.

**TONY CHAPPEL:** Thank you, Minister. The process has been—the Government released an issues paper.

**The Hon. TANIA MIHAILUK:** Yes, I've got it.

**TONY CHAPPEL:** The paper I think you're referring to is actually what came subsequently, which is a proposed set of measures, including some regulatory measures across different problematic plastic streams. The

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**CORRECTED**

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design standard is a piece of architecture already available in the Plastic Reduction and Circular Economy Act, and it would essentially involve issuing—

**The Hon. TANIA MIHAILUK:** But if it's already—why is the time frame 2030? I don't understand why. If you're already importing bottles that have already got this into New South Wales, why wouldn't we go to the next step quicker?

**TONY CHAPPEL:** I think what the Minister has indicated is that later this year the Government will announce further steps to go to that next step. I think that the 2030 issue is—

**The Hon. TANIA MIHAILUK:** Okay, we're going to announce some further steps.

**The Hon. PENNY SHARPE:** But I welcome your support for action on plastics.

**The Hon. TANIA MIHAILUK:** All I know so far is it was the former Coalition Government that banned the straws. So far you haven't done anything with plastics, Minister. No offence.

**The Hon. PENNY SHARPE:** I would disagree about that.

**The Hon. TANIA MIHAILUK:** I went to have a good read of your report and I thought, "Wow, these targets are pretty far away". It's nice to put 2030 targets up, but then it's not really much of a target when all you're doing is a design standard.

**The Hon. PENNY SHARPE:** I look forward for your support in the Parliament for faster action.

**The Hon. TANIA MIHAILUK:** You put the legislation up, Minister. I'll wait. Put the legislation up.

**The Hon. PENNY SHARPE:** I look forward to your support when we do.

**The Hon. TANIA MIHAILUK:** Give me an update to your heritage listing our colonial statues. How is that going? Have you heritage-listed any of them in New South Wales?

**The Hon. PENNY SHARPE:** No, because that's not the process. Some of them are already listed. Some of them have local listing. Anything else that goes on the State Heritage Register—

**The Hon. TANIA MIHAILUK:** What has happened to the City of Sydney council ones?

**The Hon. PENNY SHARPE:** They've already got local protection so I'm not required to list them. They need to come through the Heritage Council. I don't even know whether there's been a nomination. I don't nominate them.

**Dr AMANDA COHN:** I also have questions about the implementation of the plastics plan, particularly noting that action on some very obviously harmful plastic litter like balloon releases has been delayed to be able to be part of that plan. What is the timeline for implementation now that the consultation has happened?

**The Hon. PENNY SHARPE:** I'm not sure you were here. We're wanting to put legislation into Parliament this year.

**Dr AMANDA COHN:** So by the end of 2025?

**The Hon. PENNY SHARPE:** Yes.

**Dr AMANDA COHN:** I also note that, in the context of the crisis of landfill rapidly filling up for Greater Sydney, there have been particular instances of significant community opposition to waste processing or recycling infrastructure. The most obvious recent examples—the Plasrefine facility in the Southern Highlands. I'm now hearing community concerns about the environmental impact of the proposed landfill expansion at Lucas Heights. What do you see is the role of government in the provision of waste processing infrastructure?

**The Hon. PENNY SHARPE:** I think we've got a problem. I think that all governments have kicked this down the road for too long. The reality is we're out of landfill capacity by 2030. That will require the Lucas Heights site to be enlarged. I understand they're going through that process. We're going to require that to be done. But what I'm trying to do is actually do all of the other things that we need to actually try and get out of landfill altogether. Ideally, that's what I would like. But we're just not in a position to do that. That's why we're doing the infrastructure plan. There's never been an infrastructure plan in New South Wales for waste. It's a critical and very important part of all planning but we don't actually have a system for it.

The EPA is doing a lot of work, which is very close, in relation to crunching all the data—how much do we need, what streams, what is the processing like, how do we need to do that. We're working closely with industry and local government in particular, who are, of course, critical partners in this. What are the processing facilities that we've got? What else needs to be built? What is the best way to transport it? How are we going to manage all

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**CORRECTED**

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of that? Part one of the leave is changes to the waste levy and looking at all of that. There's a whole lot of work, whether it's plastics, whether it's container deposit, whether it's re-use and recycle. The FOGO legislation, which recently passed, is really important. It takes a third of people's rubbish out of their red bins.

It's one of those things that—no-one wants a waste facility near them but everyone wants to have their bins picked up. We have to work through it. My real focus, though, on all of this is how do we make sure that anything that's recoverable is not wasted. For me, that's the system that we want. People talk about circular economy. They talk about a whole range of things. For me, how do we make sure that everything that is valuable, that can be re-used—how we do that so that there is genuinely very, very residual waste at the end where we're using these things as many times as we can and hopefully reducing the inputs from the beginning. That's where I'm trying to get to. But we do have a serious issue with the landfill. I'm sure that there will be community concerns around the Lucas Heights expansion, but I'm not going to pretend that we're not going to need it. We will.

**Dr AMANDA COHN:** No disagreement in principle, Minister, with the comments you've made from The Greens. When you look at recycling infrastructure in particular—so things like plastic recycling infrastructure, which we will need in the short to medium term even if you start the important process of phasing it out—do you see an opportunity for better collaboration with local councils in finding the right way to provide that infrastructure?

**The Hon. PENNY SHARPE:** Of course. I think that is right. You referenced the Plasrefine system. The planning system, I think, worked as intended, which was it was the wrong facility in the wrong place. I'm talking to Minister Scully all the time about—within the planning system, waste is never really considered like a special case. We've got lots of different things that are considered special cases. What does that look like? I don't think we've got an answer to that. But, given the need for certainty and knowing where is the right place, working with local government—they've got a whole lot of facilities already operating. I think all of that is part of it. How we fund it is always the question. That's partly what the review of the waste levy is looking at as well. But we haven't made any of those decisions. We're sort of grappling with it all at once and there are just different fronts.

**Dr AMANDA COHN:** You also mentioned in your answer the new FOGO legislation, which we were really pleased to support. Have you got any further details, particularly for local government, about funding that might be available to support them?

**The Hon. PENNY SHARPE:** There is \$87 million to support the rollout of that. Some of that is already with councils, which is about—sometimes it's the really small stuff. It's just the plastic caddies and some education. We're putting extra work into education as well. There is support for local government and I really thank particularly those local councils that have been doing this for a very long time, many of them actually in regional New South Wales who have been showing how it's done—and really great results saving money but also creating excellent compost that isn't just going to landfill.<sup>1</sup>

**Dr AMANDA COHN:** Moving to a different topic, as you would know, there's ongoing health risk and community concern about historic lead contamination in Captains Flat. I appreciate that that occurred well before the time of this Government, but it is impacting people very seriously now. How are you going to support the remediation work that's needed, particularly for public recreation facilities for that community?

**The Hon. PENNY SHARPE:** I think that's right. As we've mentioned before, some of these contamination issues have been decades in the making and a lot of them are historical. I'm aware of the issue at Captains Flat but where it's up to I'm not sure. Can I take that on notice and come back to you? We'll try to get some information for you this afternoon.

**Dr AMANDA COHN:** In taking that on notice, can I also ask about—there is a grants program to support residents who are impacted by the smelter at Lake Macquarie and there has been a lot of interest from residents in Captains Flat in a similar scheme. From that community's perspective, they're in a similar position and are interested in that kind of compensation. There are two parts to this question. One is about the council being able to remediate things like playgrounds so that the community can actually access them. Then there's a second part about individual residents. I know that the EPA funds soil and water testing for residents in Captains Flat, but the trouble is then what if you get a testing result that says you've got lead in your garden.

**The Hon. PENNY SHARPE:** It's the big challenge that we have, particularly in Broken Hill, for example.

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<sup>1</sup> [In correspondence](#) to the committee dated 27 March 2025, Hon Penny Sharpe MLC provided a clarification to her evidence

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**CORRECTED**

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**Dr AMANDA COHN:** Absolutely.

**The Hon. PENNY SHARPE:** Happy to get that on notice. Quickly, Tania, can I tell you that the City of Sydney statues, some of them are already on the State Heritage Register—the ones that are in Hyde Park because they're actually part of the precinct but not all of them necessarily. My understanding is that the others have some sort of local listing.

**The CHAIR:** Minister, the EPA has produced greenhouse gas guidelines, which were expected to apply to new projects, but some coalmines have been exempted, such as Moolarben. Can you explain why exemptions have already been granted and what steps are being taken to ensure climate policies apply consistently?

**The Hon. PENNY SHARPE:** Sure. I'll get Mr Chappel to answer that.

**TONY CHAPPEL:** The specific—the publication of the guidelines and their finalisation came after various projects had progressed through certain points in the planning system, but the EPA since 2023 has been giving consistent advice to our colleagues in Planning about all the key elements in those guidelines. There are a number of short-term modifications where the major impacts, for example, are diesel fuel emissions from the activity, where complementary measures, best practice guidelines and licensing conditions over time are going to apply to those projects as well.

**The CHAIR:** We might come back to you in more detail because I think there's quite a bit.

**TONY CHAPPEL:** I'm happy to talk in more detail.

**The CHAIR:** Does it concern you, though, Minister, that we're not taking a fully consistent approach going forward?

**The Hon. PENNY SHARPE:** I just think that there is a difference between those that were in the system before and those that are after. The challenge in the planning system is how much retrospectivity—or do you actually do that. Generally that's not been the case. But, having said that, the guidelines influence all of the advice the EPA is giving in relation to approvals as they come through. I think they are being picked up but I think that we need to recognise that, if something has been in the system for a long time, we don't go back when they're almost at the end of that and then completely re-change the system for them. What I'm really happy about is that these guidelines are put in place and that they're progressing.

**The CHAIR:** Just on Moolarben and their planned expansion, there are obviously significant problems aside from their massive greenhouse gas emissions. Are you aware of the reports that the koala colony that will be probably decimated—because the plan is to clear 113 hectares of koala habitat—is actually a breeding population in that area?

**The Hon. PENNY SHARPE:** I'm not aware of the detail of that, but I'm confident that all of those issues are being dealt with through the EIS and through the planning process, so they'll continue to do that.

**The CHAIR:** Are you aware that Yancoal's own environmental report noted that this population is likely to be critical to the survival of koalas in New South Wales?

**The Hon. PENNY SHARPE:** No, I wasn't aware of that.

**The CHAIR:** Will you provide advice to the planning Minister on that koala population?

**The Hon. PENNY SHARPE:** I believe that's already occurred through the internal processes, but let me take that on notice and let you know where we're up to.

**The CHAIR:** If you could. I think there was an awareness that koalas were present, but the new research is that this is actually a breeding colony. Could you take on notice, in particular whether you will now provide updated advice to the planning Minister about this particular colony?

**The Hon. PENNY SHARPE:** Yes, I'll take that on notice.

**The Hon. WES FANG:** Minister, I want to clarify something that you said earlier. When I was asking questions around the conflict of interest with Mandala, you indicated that there were conflicts and that they were declared and being managed. Then later, when I was seeking an elucidation of that answer, when I said that there was a conflict of interest, I believe you indicated and spoke over the top and said, "We've listened to the tape," and said, "Well, we disagree with that." Minister, do you accept that the department was managing a conflict of interest with Mandala and that there was indeed a conflict of interest?

**The Hon. PENNY SHARPE:** I would refer to the answer that was given by Mr Lean, in a far more articulate fashion than perhaps I did, which is this: Mandala provided advice to the department about the work that they are undertaking. There was an assessment about whether there was a conflict of interest. The view from

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**CORRECTED**

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my department was that there was not a conflict of interest. However, the perception of conflict of interest meant that they were very dutiful and worked through very clear protocols, which I advised earlier today, around data and those kind of matters. I refer to Mr Lean's answer, and I support it.

**The Hon. WES FANG:** Minister, I accept that it was indicated that there was a declaration of a conflict of interest. Are you saying that at no point—there was no declaration from any parties that there was a conflict of interest here?

**The Hon. PENNY SHARPE:** I might have to give it to Mr Lean. As I said, I don't manage these matters; Mr Lean does.

**ANTHONY LEAN:** My understanding is that when—and I haven't got the letter in front of me—Mandala disclosed and raised the issue with us, their view was that there was no actual conflict of interest. But I can confirm that on notice.

**The Hon. WES FANG:** They didn't declare a conflict of interest, there has been no declaration of a conflict of interest, and what you were simply doing was managing the perception of a conflict of interest—is that correct?

**ANTHONY LEAN:** As I said, they indicated that they didn't believe there was an actual conflict of interest, but they acknowledged there was a risk of a perception. Various protocols were put in place to manage that perception, and we accepted those protocols. There was internal advice provided by our legal and governance area. We sought confirmation from Mandala at the end of the process that they'd complied with the protocols, and we were satisfied with that.

**The Hon. PENNY SHARPE:** What is your concern here?

**The Hon. WES FANG:** My concern is that it was indicated that there was a declaration of a conflict of interest. The subsequent answer that Mr Lean has just given would indicate that there was no declaration of a conflict of interest. Minister, was a declaration made or not? And if it wasn't, was the department determining that there was a conflict of interest?

**The Hon. PENNY SHARPE:** I refer to my previous answer, but I will take on notice to provide you—once I've looked more carefully at the transcript of what you're actually asking—and provide a written answer for you in relation to this.

**The Hon. WES FANG:** Do you think it's Mandala's job to determine whether they believe they had a conflict of interest or not, or do you think it's the department that should've determined whether they had a conflict of interest?

**The Hon. PENNY SHARPE:** As I said, let me get the information. The point that I would make here, as I made very clearly, is that all procedures have been provided, that the work of Mandala in relation to perceived conflict of interest—or whether you believe there's a conflict of interest; it's a different issue. Given you're very interested in two or three words, we'll get the clarification in relation to that. But I don't believe that there's a problem here. If you've got an allegation to make, make the allegation. Otherwise, let me get the answer.

**The Hon. WES FANG:** Minister, I'm simply asking a question.

**The Hon. PENNY SHARPE:** I think you're making an allegation that I'm not quite sure what it is.

**The Hon. WES FANG:** The fact that you're becoming extremely defensive when I ask questions about conflicts of interest and Mandala—

**The Hon. PENNY SHARPE:** No, I've got no problem.

**The Hon. WES FANG:** —is particularly interesting, but I'll move on. Minister, can you explain the difference between land clearing, native vegetation, native forestry and private native forestry?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. WES FANG:** Do you accept that native forestry and private native forestry are not forms of land clearing or land use change and are regulated by separate instruments?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. WES FANG:** Can you provide an indication of what you believe the differences are and how the instruments are different?

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**CORRECTED**

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**The Hon. PENNY SHARPE:** Different parts of government regulate different parts of the way in which harvesting happens either on private land or whether it happens on public land. There are obviously different arrangements around native vegetation. They're through the native vegetation map.

**The Hon. WES FANG:** You would accept, then, that land clearing isn't forestry?

**The Hon. PENNY SHARPE:** The land is cleared, but that's not the way it's dealt with under the law.

**The Hon. WES FANG:** Minister, are you suggesting that land clearing is forestry?

**The Hon. PENNY SHARPE:** No.

**The Hon. WES FANG:** Then I'll re-put the question: Do you accept that land clearing isn't forestry?

**The CHAIR:** What's the definition of land clearing, Wes?

**The Hon. PENNY SHARPE:** Yes, but I'm not quite sure why—I don't understand the distinction that you're trying to make here. As I've just said, there are different regimes across different—

**The Hon. WES FANG:** The point I'm making is there are very clear distinctions between the two and that they operate under separate instruments. They are not the same thing.

**The CHAIR:** The Minister just said that.

**The Hon. PENNY SHARPE:** I just said that.

**The Hon. WES FANG:** I don't understand why it was so hard for you to agree with that, but I'll move on.

**The Hon. PENNY SHARPE:** It's very hard to understand some of your questions, Mr Fang. I'm sorry.

**The Hon. WES FANG:** They're just questions, Minister. All you need to do is provide an accurate response.

**The Hon. PENNY SHARPE:** Some of them make no sense, so that's what I struggle with. But, anyway, here we are.

**The Hon. PETER PRIMROSE:** You're very defensive today, Wes, with this.

**The Hon. WES FANG:** I don't believe so, Peter, but anyway. Minister, have you had a chance to look at the PMES results from EnergyCo?

**The Hon. PENNY SHARPE:** Sorry, is this the public service—the people matter survey, is that what you're talking about?

**The Hon. WES FANG:** Yes.

**The Hon. PENNY SHARPE:** I'm aware of them, but I haven't looked at them in detail.

**The Hon. WES FANG:** You haven't looked at them in detail?

**The Hon. PENNY SHARPE:** No.

**The Hon. WES FANG:** Would it concern you to know that on the question of "My organisation shows a commitment to ethical behaviour", it is down to 56 per cent, which is down 28 per cent from 2023?

**The Hon. PENNY SHARPE:** I'm always concerned if there are big changes in relation to agencies. I think that EnergyCo is doing an incredible job given the pace with which they need to work. They have been through a big change. As you know, we've reinvigorated the board and there's a new Chair. The CEO has left the organisation as well.

**The Hon. WES FANG:** Yes, I'm aware.

**The Hon. PENNY SHARPE:** My point is, would I like to see higher numbers? Fifty-six per cent is actually pretty good, but would I like to see them better? Yes.

**The Hon. WES FANG:** But it's in relation to the question of ethical behaviour by their organisation.

**The Hon. PENNY SHARPE:** I just answered the question.

**The Hon. WES FANG:** About half of the organisation believes that they're operating unethically.

**The Hon. PENNY SHARPE:** I think that is a big stretch, and I wouldn't accept that. If you've got an allegation to make, please make it.



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**CORRECTED**

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**The Hon. WES FANG:** Well, 44 per cent of the organisation believe that the organisation isn't operating ethically. That's not a stretch. That's the numbers. That's the people matter survey, Minister. Does that not concern you?

**The Hon. PENNY SHARPE:** I haven't looked at the detail of how that question is asked, and I'm willing to take it on notice. But, as I said, would I like it to be higher than 56 per cent? Of course I would.

**The Hon. NICHOLE OVERALL:** Minister, I'm going to go back to the concept of energy from waste. In 2018, when you were the shadow environment Minister, on a proposal for a waste incinerator in Western Sydney, you stated, "This project shouldn't be going ahead, and the Government should stop it now." Do you share the same concerns for waste incineration in regional New South Wales?

**The Hon. PENNY SHARPE:** That's what we're working through in relation to the regional plan. We're implementing the plan that was put in place by the previous Government. I was glad that they didn't proceed in terms of the Western Sydney program. As I said, we've got to talk about what it looks like into the future. There's only one active project, which I'm sure you're really well aware of, outside Goulburn, which is going through the planning system. The future of any other thing really depends on what comes forward through the planning system.

**The Hon. NICHOLE OVERALL:** As you well know, the New South Wales Labor Government announced proposed changes to the NSW Energy from Waste framework last week. Notably, one of those changes relates to the removal of Richmond as a proposed site for waste incineration. Why is Sydney's waste suitable for incineration in regional New South Wales and not Western Sydney?

**The Hon. PENNY SHARPE:** As I said, we're implementing the policy of the previous Government, and that's why we're consulting at the moment.

**The Hon. NICHOLE OVERALL:** But Minister, Labor's country conference moved a motion for the Government to ban waste incineration. Do you agree with this?

**The Hon. PENNY SHARPE:** I'm glad that you're paying attention to what happens at Labor conferences—

**The Hon. NICHOLE OVERALL:** You've invited me to the other side of the Chamber, Minister.

**The Hon. PENNY SHARPE:** They're very important. We've got some very passionate members with many views in relation to those things. As I said, we've got the consultation paper out for discussion. We are not hiding from the waste challenges that New South Wales faces, but any future decisions are yet to be made.

**The Hon. NICHOLE OVERALL:** But seriously, Minister, given your previous position on all of this, is this refusal to ban waste incineration now you're in government hypocritical?

**The Hon. PENNY SHARPE:** No.

**The Hon. NICHOLE OVERALL:** You support the transfer of 380,000 tonnes of Sydney waste approximately 250 kilometres via road and rail, through prime agricultural land, small communities, past primary schools, as a viable solution to Sydney's waste issues?

**The Hon. PENNY SHARPE:** Are you talking about the Tarago site?

**The Hon. NICHOLE OVERALL:** Yes.

**The Hon. PENNY SHARPE:** You know that it already takes 40 per cent of Sydney's waste?

**The Hon. NICHOLE OVERALL:** And have you gone and met—

**The Hon. PENNY SHARPE:** Just to be clear: It's been doing that for decades.

**The Hon. NICHOLE OVERALL:** Have you gone and met with local groups, residents, landowners—

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NICHOLE OVERALL:** —around their concerns about this growing trend of dumping Sydney's waste in the regions?

**The Hon. PENNY SHARPE:** What I would say is that the challenge of waste is something that we all have to deal with. The short answer to your question is yes, I've met with many proponents, both before the previous election and since the election, in relation to these matters. The Tarago site is currently going through the planning process. That's an independent process that I do not get myself involved in. It's actually separate to me, as it should be, and that process is ongoing. But no, I'm very aware of the issues. I've met with many different

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**CORRECTED**

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people. I've met with local government. I've met with farmers. I've met with local Labor Party people. I've met with many people over a long period of time in relation to this project.

**The Hon. NICHOLE OVERALL:** In that case, you should be very aware of how pronounced, shall we say, their concerns are in relation to this. In saying that you do support waste incineration as a suitable form of waste disposal, particularly in regional New South Wales, can you assure the residents of regional New South Wales that waste incineration is safe for human health and the agricultural environment?

**The Hon. PENNY SHARPE:** This is the point that I would make: New South Wales has the strongest regulations, I believe, internationally and I have fulfilled the commitment which I made to locals in Goulburn and surrounds in relation to seeking further advice from the office of the chief scientist, which I have done. That's why we have the consultation paper out, and I'm sure people will have input in relation to that.

**The Hon. NICHOLE OVERALL:** Moving along in the few minutes that I have, do you know Braidwood, Minister?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NICHOLE OVERALL:** Do you know it's the only heritage-listed town in all of New South Wales?

**The Hon. PENNY SHARPE:** I thought Broken Hill was as well, but sure.

**The Hon. NICHOLE OVERALL:** We can clarify that. I'm sure that someone from Braidwood will let me know. That was a Labor implemented decision?

**The Hon. PENNY SHARPE:** I'm not sure when it was made, but sure.

**The Hon. NICHOLE OVERALL:** How much has Labor done to assist and further this town under that quite specific classification?

**The Hon. PENNY SHARPE:** I'd need to take that on notice in terms of the work that we're doing. Heritage listing is a particular process; it sort of depends on what levels of protection it does. I'm not across that detail. I'm happy to find out and come back to you.

**The Hon. NICHOLE OVERALL:** That would be great. Are you aware of the Braidwood heritage centre, a significant part of the town's history and future?

**The Hon. PENNY SHARPE:** Whereabouts is it located?

**The Hon. NICHOLE OVERALL:** Right in the main street, right on the corner. You can't miss it—a beautiful old sandstone building.

**The Hon. PENNY SHARPE:** I think I know the building. Let me take on notice if there's other things that you want me to know about that. I'm not familiar with the details.

**The Hon. NICHOLE OVERALL:** Are you aware of the significant project that was awarded—\$3.75 million as a bushfire recovery grant aimed at creating employment and economic stimulus for a district severely affected by the 2019-20 bushfires?

**The Hon. PENNY SHARPE:** If you say so, that's right.

**The Hon. NICHOLE OVERALL:** Are you aware that that project is now \$2 million over budget, a number of years behind schedule and no money has been spent in the region?

**The Hon. PENNY SHARPE:** I think that the bushfire recovery funding is not under my portfolio, nor my responsibility while I'm the heritage Minister, so you may have needed to ask Minister—

**The Hon. NICHOLE OVERALL:** I will be asking Mr Graham that as well.

**The Hon. PENNY SHARPE:** Great.

**The Hon. NICHOLE OVERALL:** I think it's very important that your Government is fully cognisant of what's gone on.

**The Hon. PENNY SHARPE:** I appreciate that.

**The Hon. NICHOLE OVERALL:** It's a very serious matter and it is heritage related. The greater concern around all of this are other similar heritage projects at risk of being similarly subjected to over-complicated processes of delivery and, as a result, not actually being delivered as we're seeing with the Braidwood heritage centre at this point in time.

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**CORRECTED**

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**The Hon. PENNY SHARPE:** As I said, I'm happy to take on notice any impact where we can help in relation to this. I've just been given some additional information, though. With the Braidwood listing—and I know that there are other towns that have been interested; Camden, for example—one of the things that I believe Heritage NSW and the Heritage Council are looking at is how whole-of-town listings work and whether adjustments are needed. There is actually an opportunity for people to have input into that.

**The Hon. NICHOLE OVERALL:** Yes, and I appreciate that. That is very good to know. But I'll come back to the Braidwood heritage centre project—

**The Hon. PENNY SHARPE:** Can I just be clear: It's not my project. It's not within my portfolio. I'm happy to take on notice anything else we can do, but I'm not sure that I can help you with any more of it because it's not within my purview.

**The Hon. NICHOLE OVERALL:** Minister, Heritage NSW has been involved in this project as well and that's part of the problem. The president of the Braidwood and District Historical Society, Mr Peter Smith, said "bureaucratic ineptitude and waste have led to considerable disappointment". That is because of the level of crossover of various departments and also trying to work with the local council. Going on what has been put forward by the society, waste has occurred as a result. This project has now stalled halfway through. The heritage centre can't continue its operations until this is attended to. There is almost a \$2 million shortfall. I am raising it with you as the heritage Minister. Will you commit to ensure that the necessary resources to ensure the completion of this project continue? Not only that, but there is a 30 June deadline on all of this.

**The Hon. PENNY SHARPE:** I'll take on notice where it's up to and the role that Heritage NSW has in it and will come back.

**The Hon. WES FANG:** Minister, in an earlier answer to one of my colleagues, you indicated that the transmission issues or projects don't affect the size of the REZs. Do you stand by that comment?

**The Hon. PENNY SHARPE:** I'm not quite sure what you're actually asking me.

**The Hon. WES FANG:** If you have a REZ that's capable of generating X amount of gigawatts, what good is that energy unless you can actually—

**The Hon. PENNY SHARPE:** Sorry, just to be clear, there's generation and then there's also transmission capacity, which is slightly different. I'm trying to answer your question, I just don't quite understand it.

**The Hon. WES FANG:** If you haven't got the transmission projects in place, are the REZs of any benefit to you?

**The Hon. PENNY SHARPE:** The transmission lines need to be built; that's why we're doing them.

**The Hon. WES FANG:** The transmission lines do impact the size of the REZs in fact?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. WES FANG:** Because without the transmission lines you can't actually move the energy—

**The Hon. PENNY SHARPE:** Correct. For example—

**The Hon. WES FANG:** They do impact the size. Do you accept that that's the case?

**The Hon. PENNY SHARPE:** Yes, but if you're tying that to the transmission review, that is not about the size of the REZs. The REZs have been gazetted. As you would know, Central-West Orana started at, I think, three, and I think then it was 4.5—

**The Hon. WES FANG:** And what is it now?

**The Hon. PENNY SHARPE:** Now it's at about six.

**The Hon. WES FANG:** Is it six or seven?

**The Hon. PENNY SHARPE:** Six.

**The Hon. WES FANG:** Or at least seven?

**The Hon. PENNY SHARPE:** Why do you think it's seven?

**The Hon. WES FANG:** I don't know. Here I've got a question—

**The Hon. PENNY SHARPE:** You've got a question, okay. Did you write the question?

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**CORRECTED**

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**The Hon. WES FANG:** No, I didn't, but—

**The Hon. PENNY SHARPE:** How about you explain the question then?

**The Hon. WES FANG:** Minister, I'll try to ask the question without being interrupted and we'll see how we go. Minister, when Central-West Orana Renewable Energy Zone was first announced in 2021 it was slated to generate at least three gigawatts of power, which is what you indicated.

**The Hon. PENNY SHARPE:** Correct.

**The Hon. WES FANG:** You've increased that recently to at least seven gigawatts. How much more land is needed and how many more projects will there be?

**The Hon. PENNY SHARPE:** I don't know where the seven has come from. My understanding is that the gazettal was six. Is that right? Yes, generation at the gazettal was six. When you're saying seven—I'm happy to answer the question; I'm just trying to understand what you're saying.

**The Hon. WES FANG:** Let's assume that it's not at least seven, as the question says; let's assume it's six.

**The Hon. PENNY SHARPE:** I'm not assuming anything. I don't assume anything.

**The Hon. WES FANG:** I will assume for the question that it's six. How much more land and how many more projects will be required?

**The Hon. PENNY SHARPE:** The advice I've got is that the network capacity—this is what the issues are: There's been consultation and we increased the intended network capacity of the CWO REZ to six gigawatts, noting initially it was operated at 4.5. In relation to the projects that go within the REZ, they're going through the planning system. I can take on notice whether there's an impact, but I don't believe there is.

**The Hon. WES FANG:** I might ask the rest of these questions a bit later because it seems like we might not have all the details.

**The Hon. PENNY SHARPE:** It would help if you understood what you were asking and then we might be able to provide specifics.

**The Hon. WES FANG:** I understood it, Minister.

**The Hon. PENNY SHARPE:** If you want to talk to us over lunch, we're happy to provide the answers that you want, or if you need to seek clarification, that's fine.

**The Hon. WES FANG:** The OTU site at the national park—

**The Hon. PENNY SHARPE:** Scheyville?

**The Hon. WES FANG:** Yes. The issues around the commandant's house where Heritage NSW has issued a note or instruction—I'm not sure; there seem to be varying reports as to what was issued to national parks in relation to that site. But there's no question that it's a heritage-listed building, and National Parks has not maintained the site. What have you done in relation to ensuring that National Parks abides by its requirements for heritage-listed buildings?

**The Hon. PENNY SHARPE:** I know that you're very interested in the site, and I know there's been very close work going on there with the Hunter Anzac Memorial Limited. The advice that I have is that there are almost weekly meetings with the chair of that committee, that there's been extensive works that are being done, and my advice is that a lot of the works were completed in January 2025. There's discussions around the occupation licence for the non-exclusive use of the operation—

**The Hon. WES FANG:** Sorry, could I just clarify, are you talking about the commandant's house or are you talking about the wider project, now?

**The Hon. PENNY SHARPE:** It's probably the wider project. I'm not aware of the things that you're specifically asking about.

**The Hon. WES FANG:** The commandant's house is heritage-listed, and it is literally about to fall down.

**The Hon. PENNY SHARPE:** Mr Lean's got better information than I. I will hand to him.

**ANTHONY LEAN:** In relation to the farm manager's house, which I think is the same property that you're talking about—

**The Hon. PENNY SHARPE:** Are we talking about the same thing?

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**CORRECTED**

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**The Hon. WES FANG:** No there's—

**ANTHONY LEAN:** Where Heritage raised concerns about the condition of the property—we'll clarify exactly which one it is—but we're undertaking structural and hazardous material reports at the moment to assess the overall condition. Once we have those, we'll then undertake further works to meet the requirements.

**The Hon. PENNY SHARPE:** Can we just clarify we're talking about the same building? I'm not sure that we are.

**The Hon. WES FANG:** It's been referred to in all my conversations as "the commandant's house".

**The Hon. PENNY SHARPE:** We'll come back to you. There's a lot of work going on there, which I think you're aware of.

**The Hon. JOHN RUDDICK:** The New South Wales Parliament passed the biodiversity conservation amendment Act last November, marking a significant shift in the state's biodiversity regime. This legislation aims to transition the Biodiversity Offsets Scheme towards net positive biodiversity outcomes. However, many of the key changes depend on the development of regulations and a nature positive strategy, which have not yet been introduced.

**The Hon. PENNY SHARPE:** Correct.

**The Hon. JOHN RUDDICK:** Regarding the timing of these regulations and strategies, the New South Wales Government has provided some general indications, but no precise date. Commentary from various sources, however, including legal analysis and Government statements, suggests the regulations are not expected to be finalised until mid-2025 at the earliest. For instance, it has been noted that abdications under the current Biodiversity Offsets Scheme regime will continue to be assessed until the new regulations are in place, implying a transitional period extending well into this year. However, no specific date has been confirmed in official Government announcements at this point. When will a specific date be provided for the new regulations to take effect?

**The Hon. PENNY SHARPE:** I think we're still aiming for mid this year. More broadly, this is in response to the Ken Henry review, which obviously showed that we need to do things differently if we're serious about biodiversity conservation. The first tranche of our work has been the biodiversity offsets work. The second part of work that's well underway within my agency is the development of the NSW Plan for Nature. A lot of that work is being informed by a lot of information, including the State of the Environment report, and a whole lot of other things around what we do next, whether it's in the legislative space, in policy space. But unless Mr Lean wants to tell me differently, I think mid this year regs is probably where we're working to.

**The Hon. JOHN RUDDICK:** How much has the Government raised via the developer contributions to the Biodiversity Conservation Trust?

**The Hon. PENNY SHARPE:** I need to take that on notice. So just to be clear, is it BCT? Because there's other—there's different funds. BCT is for the private land conservation. We also have other areas. Do you just want to know how much money has been paid into the various funds?

**The Hon. JOHN RUDDICK:** I do, yes.

**The Hon. PENNY SHARPE:** All right, we can do that.

**The Hon. JOHN RUDDICK:** You may not be able to answer this question, but—

**The Hon. PENNY SHARPE:** For BCT, I can tell you BCT: \$285 million.

**The CHAIR:** From when was that?

**The Hon. PENNY SHARPE:** That was from BCT—sorry, I can't read it, because it's too small. He's made it 25 font now, it's all good. Since the scheme began to 31 December 2024, the BCT has received \$285.19 million as payment from developers transferring 74,649 credit offset obligations.

**The Hon. JOHN RUDDICK:** You said that money has just been raised since last November?

**The Hon. PENNY SHARPE:** No, this is the whole system, to the end of December last year.

**The Hon. JOHN RUDDICK:** You might have just answered my next question—how much of the funds so far raised have actually been applied to offsetting obligations?

**The Hon. PENNY SHARPE:** I can tell you this. To December last year, 54 per cent have been purchased or contracted for purchase. That's about \$140 million of the funds paid in.

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**CORRECTED**

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**The Hon. JOHN RUDDICK:** Following on from questions from Mrs Mihailuk, we are approaching a federal election, as you know.

**The Hon. PENNY SHARPE:** Yes, I'm aware.

**The Hon. JOHN RUDDICK:** Many pundits are expecting that it's quite possible there could be a change of government.

**The Hon. PENNY SHARPE:** I hope not, but we'll see.

**The Hon. JOHN RUDDICK:** The Coalition is campaigning on a long-term Libertarian Party policy of an Australian nuclear power industry, which we're very pleased to see.

**The Hon. PENNY SHARPE:** I'm glad that you're leading.

**The Hon. JOHN RUDDICK:** Thank you, yes. The Coalition policy would require State cooperation, in terms of regulations, if they did want to bring them in. So you agree that that would require your cooperation?

**The Hon. PENNY SHARPE:** Yes, because—well, it will require cooperation from a whole range of people. It will require cooperation from our Parliament, not from the Government, to actually lift the current bans that we have in place that are legislated. It would require the private companies, Liddell and Mount Piper, to agree to hand over their sites, which might require compulsory acquisition. That's not a matter for the State; that's a matter for the Federal Government. There's also the challenges that come with having coal-fired retire and not having anything to replace it. Even the best-case scenario in terms of nuclear—even if everything went well, and there's no evidence internationally that that ever happens—is that basically we're not going to have nuclear online until 2040, and the cost is currently unknown. So, yes, that's where we're at.

But the New South Wales Government's made it pretty clear we have an energy plan, which is about affordability, about reliability, about security, about actually putting in place the future prosperity of this State based off renewables. And that's what we want to undertake. The greatest risk of the Federal Government being elected in relation to these matters is that all of that goes on hold, our emissions increase, we have more blackouts, we have higher price spikes as old coal-fired power stations, using an unlimited amount of taxpayer money, are used to be extended while they try to fill the gap.

**The Hon. JOHN RUDDICK:** We were told when this whole thing began in about 2007, when Al Gore came out with *An Inconvenient Truth*, that the renewable industry would deliver lower energy prices. You would agree that that hasn't happened?

**The Hon. PENNY SHARPE:** We need to understand what is the cheapest form of replacement of coal-fired power. It is definitely renewables and I'd point you to the CSIRO report. Whether there's a cost to actually transitioning our electricity grid? Yes, there is. That's what we're working through, through the roadmap.

**The Hon. JOHN RUDDICK:** Implicit in your reply there is that you're admitting that coal actually produces energy at a cheaper price than renewables.

**The Hon. PENNY SHARPE:** If the coal-fired power stations were working well, if coal prices were stable, if we could deal with their emissions, then, yes, we could do all of those things. But the reality is that we have coal-fired power stations that are reaching end of life that no-one will fund to replace. The replacement costs are too high, and what's driving spikes in relation to wholesale prices of electricity is the breaking down of these coal-fired power stations.

We can try to patch them up for a little while but, at the end of the day, what's actually driving increased prices is not the rollout of renewables; it's the unreliability of these coal-fired power stations, which have been incredibly important. I went to Eraring recently. I actually met with the workers who've been there. They've got their fortieth year anniversary. Things are changing there, where they're now building batteries and they're moving on from that. It's a really big challenge. It's why the Government was—why we made the decision to support Eraring to stay open while we're building the renewables in.

**The Hon. JOHN RUDDICK:** So you're saying that during the transition period, yes, electricity prices might go up, but when we get past the transition and we're into this brave new world of windmills and solar panels—how far away are we from having energy consumers in New South Wales, both domestic and industrial, benefiting from these promised energy bill reductions?

**The Hon. PENNY SHARPE:** I think, first of all, we're showing that renewables can work. We've gone from a state where 80 per cent of our energy was derived from coal, depending on the day—and it is a bit a day-by-day proposition. It can be over 50 per cent now. The other thing that we've got is the incredible rollout of rooftop solar, where people are finding benefits through that. We've got over a million people with rooftop solar.

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**CORRECTED**

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We're working very hard to support people to put batteries in, and we're also doing a whole lot of work around energy efficiency. The whole transfer to renewables is absolutely underway, and we're seeing improvements all the time. We've recently done our most recent tender in relation to meeting our renewable energy targets. We're going to be supporting a pumped hydro project and two very large batteries. We're about to have the two biggest batteries in the world open literally up the road in the Hunter. The transition is well and truly underway.

**The Hon. JOHN RUDDICK:** When can we expect the transition to be completed? Is it two years away or 20 years away?

**The Hon. PENNY SHARPE:** I don't know. We're getting to net zero by 2050. That's what we're working to.

**The Hon. JOHN RUDDICK:** My last question is about plastic straws. There was a study done last year at the University of Antwerp in Belgium that concluded that paper straws, which we all know don't work, also have high amounts of PFAS in them. Were you aware of that report?

**The Hon. PENNY SHARPE:** The University of Antwerp—no, I'm not.

**The Hon. JOHN RUDDICK:** They are a respected institution.

**The Hon. PENNY SHARPE:** I'm not quibbling with who they are. I'm not across every university's report on plastics, I'm afraid.

**The Hon. JOHN RUDDICK:** They had to put chemicals into these paper straws to—

**The Hon. PENNY SHARPE:** Some of them. Not all of them.

**The Hon. JOHN RUDDICK:** A lot of them.

**The Hon. PENNY SHARPE:** Some. Do you know how many?

**The Hon. JOHN RUDDICK:** Those chemicals are required to give them some strength for two minutes before they dissolve.

**The Hon. PENNY SHARPE:** It depends on the type.

**The Hon. TANIA MIHAILUK:** Ten seconds.

**The Hon. JOHN RUDDICK:** Ten seconds. Thank you. The whole purpose was to remove the PFAS from the system.

**The CHAIR:** Just use your lips.

**The Hon. JOHN RUDDICK:** You're probably right about that, Chair. I will forward you that report.

**The Hon. PENNY SHARPE:** The one thing I can tell you—which Mr Chappel has just told me and is a good reminder—is that we passed IChEMS legislation, which is about dealing with these very difficult, ubiquitous chemicals that have made their way into our environment. PFAS is banned from 1 July this year. If there are paper straws that have got PFAS in them, they won't be allowed in Australia.

**The Hon. JOHN RUDDICK:** That's good to hear. Thank you.

**The CHAIR:** Last year my colleague Cate Faehrmann wrote to you about the Hunter Gas Pipeline and asked you not to approve the renewal of the authority to survey, given concerns by landholders about Santos's strongarming behaviour. And then there was the independent investigation, but the authority was renewed nevertheless. Have you received any further complaints about Santos's behaviour since the investigation concluded?

**The Hon. PENNY SHARPE:** It's a good question. I don't know. Let me take it on notice. I'm sure we can get back to you this afternoon. I'm not aware of any new complaints, but my department might be. I'll let you know.

**The CHAIR:** What was the main reason to renew that authority?

**The Hon. PENNY SHARPE:** Basically, under the planning system, there was a view—and I know that some people don't share this view—that the work had been undertaken and that it should continue, so there was a request to deal with the authority to survey. I did take really seriously the concerns of landholders. I know many of them. I have dealt with them for many years. That's why the investigation was undertaken. In the end, I decided to allow it to occur. The bill that recently went through the Parliament in relation to authority to—no, that's a separate issue.

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**CORRECTED**

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**The CHAIR:** Could you provide any update on when we might see the Upper Nepean State Conservation Area declared? I know, again, that my colleague Cate Faehrmann—

**The Hon. PENNY SHARPE:** That's fine. I'm not aware. Let me take it on notice. I'm happy to get back to you. We should be able to get you something this afternoon.

**The CHAIR:** Thank you very much. I think it was waiting on easements in relation to WaterNSW, perhaps.

**The Hon. PENNY SHARPE:** If it's up there, it's probably in the catchment area. We probably need to work it out. I'll get you the proper information. I'm just not across the detail.

**The CHAIR:** Are you aware that Centennial Coal, which has been storing wastewater from coalmining operations, is seeking permission to dump its dirty water into the Warragamba Dam and that it's going to do this by seeking an amendment to its EPL? Are you aware of that?

**The Hon. PENNY SHARPE:** Yes, I am very aware of the issues in relation to Springvale mine and its interaction with the Mount Piper coal-fired power station. As people are probably aware—you probably are; I'm not sure about everyone else—it's almost wholly supplied from Springvale, so the energy security aspect that Mount Piper provides is linked to what's going on in the mine. I am aware of this. We have been monitoring this very carefully. There is a planning modification that has been submitted. That's going through the process. My various agencies—and I'm sure if you want to ask Mr Chappel later, he can tell you—have been very actively involved in this. It's one of those issues that is extremely challenging, but we're working through it.

**The CHAIR:** It's 42 million litres of mine water per day. There's a lot of scientific evidence now that the dilute and pollute strategy is not effective in keeping Sydney's water clean. Is this something that, if the Government had to step in to prohibit that from happening, you would consider?

**The Hon. PENNY SHARPE:** We've been looking at all of the options. What I'm saying to you is that there's no easy option in relation to this. It's very challenging. My agencies have been actively involved in this for over 12 months—probably since I was elected. I'm not in a position to say yay or nay to all of it, because there is no easy solution here. We can't just ignore the flooding of that mine. We need to work through it. There are some other challenges there. The way in which they've been able to take the water to date, which has helped, is that Mount Piper uses a lot of the water through their processes. They're about to do a fairly major shutdown to do a whole lot of maintenance work, so there's excess water as well. The ways that we've been able to manage the water to date are ongoing. There have been challenges around the Veolia water treatment sites. I'm really aware of this. I don't have the easy solution because there isn't one. My agencies are working through it. You should talk to Mr Chappel about it. He can tell you about how closely we've been looking at this, which has been very closely.

**The CHAIR:** If I can touch on something quite broadly, in terms of the EPA's regulatory functions, I'm not sure whether you get concerns or complaints. I will talk to Mr Chappel about this.

**The Hon. PENNY SHARPE:** I get people who tell me that they're too officious and that they're too over the top, and I get people who think that they're too weak and they're not doing their activities. That's the feedback that I get about the EPA.

**The CHAIR:** In terms of that, do you have a system, as the Minister responsible, for reviewing and looking at the EPA's regulatory functions? Do you have any kind of methodology of assessing the effectiveness—

**The Hon. PENNY SHARPE:** Do you have something specifically that you want to—

**The CHAIR:** I could give you really clear examples of every regulatory function.

**The Hon. PENNY SHARPE:** I'd say a couple of things about that. Obviously, I support a strong EPA to protect the environment and human health in New South Wales. That has been a longstanding position of all the parliaments in relation to this. Is there ongoing criticism, as I said, of doing too much or too little? There's a lot of that. I would make a couple of points. One is that the regulatory function of the EPA is independent from me, as it should be. I support that independence. Having said that, I work very closely with the CEO, the board and the staff at the EPA in all of the work that they're undertaking.

**The CHAIR:** In relation to that, I'm trying to be a bit more specific. As you know, and I've discussed this with you in Parliament, you do have powers under the Act—

**The Hon. PENNY SHARPE:** I do.

**The CHAIR:** —to issue directions and to discuss. What I'm trying to ascertain is do you have a matrix of success in terms of the EPA's regulatory functions that you analyse—



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**CORRECTED**

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**The Hon. PENNY SHARPE:** The board provides that oversight. They provide to me an annual report in relation to their regulatory assurance and how that has been going. There are independent issues that crop up at various points in time. In the annual reporting, we deal with that, but it's a more dynamic situation that that, based on what's happening at the time. We made changes to legislation last year to strengthen the role of the EPA and the way in which it's able to conduct its business, which was broadly supported through the Parliament, for which I was extremely grateful. The EPA went through a period of time where there were many different CEOs. I'm very grateful that Mr Chappel has been here now for how long?

**TONY CHAPPEL:** Two-and-a-half years, Minister.

**The Hon. PENNY SHARPE:** Which is actually quite a short period of time. I'm very grateful for the board and the work that they're doing. They have an enormous task. Often issues emerge that couldn't be predicted. Asbestos mulch would be one of them. They're then undertaking one of the largest investigations that the EPA has ever done. What I'm really saying is that I have great faith in the board, I have great faith in the CEO, I have great faith in the staff of the EPA and the work that they do. Do they always get it right? Probably not, because none of us always get it right. But are they actually progressing and defending the environment and human health in this State? You bet they are.

**The CHAIR:** Where do you think people should go if there are serious concerns about the EPA or if they're experiencing what they consider regulatory failure? Where can they go and what do they do?

**The Hon. PENNY SHARPE:** I would suggest three things. I would suggest people can write to me; we always take those things seriously. I think that actually writing formally to the board is also the way in which they should do that, and people work through the process. I'm sure Mr Chappel could probably give you more detail about how you manage such issues, because a lot of them would come not through me.

**The CHAIR:** I will take it up with Mr Chappel afterwards. I'm putting on your radar, Minister, that the system can only work if you are having oversight of the EPA, that we all accept the EPA is independent and we need a strong regulator, but unless there is some kind of matrix of success that can be—

**The Hon. PENNY SHARPE:** You might call it a matrix; I would call it the ongoing works of the Minister who is constantly talking to her agency and working through those issues, and has formal reporting via the regulatory assurance that I get from the board.

**The CHAIR:** Are you satisfied across all of the regulatory functions? If I was to give you examples of forestry breaches and concerns that people have brought that the EPA hasn't followed up, or is that something that you would be willing to take on board and look at? And I'm talking across each of the regulatory functions, and in particular, at the moment, the chemical and pesticide regulation across New South Wales.

**The Hon. PENNY SHARPE:** You should talk to Mr Chappel about the sort of detail of where all of that's up to. Environmental protection really works at its best when the community is alert and is working closely with the regulator and is able to provide information. There may be the cases sometimes where the community think that one issue is more than what the regulator assesses as being really where the harm is. Let's be honest, you can't chase down every single thing that you get. But broadly, I think that everyone welcomes—and I think the EPA welcomes—input from everyone in relation to these matters. If they see something, we get them to report it to the enviro line. The further more systemic work around regulation and whether there's a kind of debrief at the end of a process—whether once we've finished with the asbestos mulch, we sit down and go "Okay, what did we learn here and what could we do better?"—I'm always open to that. I really encourage people to interact with the EPA because I think that our staff really value that.

**The Hon. NATALIE WARD:** Minister, when was the last time you met with the NSW Threatened Species Scientific Committee?

**The Hon. PENNY SHARPE:** I think it has been a while. I'd need to tell you when it is. It hasn't been recently.

**The Hon. NATALIE WARD:** Will you take it on notice?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** But not any time that you can remember recently?

**The Hon. PENNY SHARPE:** Not recently, no. Just to be clear, since being elected I've done almost 700 meetings. They're the ones that I have taken.

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**CORRECTED**

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**The Hon. NATALIE WARD:** Minister, the Wild Deserts conservation program has been a very successful program. It has a 10-year contract, which, as you know, expires in two years. Do you envisage continuing that funding?

**The Hon. PENNY SHARPE:** Yes, I've been out there twice. Sorry, I've been out there once.

**The Hon. NATALIE WARD:** So you do envisage continuing the funding on the 10-year contract which expires in two years?

**The Hon. PENNY SHARPE:** We're working through the budget processes, but yes.

**The Hon. NATALIE WARD:** Sorry, which is it? You're working through the budget process or you envisage—

**The Hon. PENNY SHARPE:** We're working through the budget processes, but do I anticipate we will fund them? Yes.

**The Hon. NATALIE WARD:** UNSW has been a great partner of the program.

**The Hon. PENNY SHARPE:** Yes, I know.

**The Hon. NATALIE WARD:** Do you envisage extending the contract with the UNSW team?

**The Hon. PENNY SHARPE:** Yes.

**The Hon. NATALIE WARD:** Good. How are the various feral-free areas around the State tracking?

**The Hon. PENNY SHARPE:** They're going gangbusters. They're going really well.

**The Hon. NATALIE WARD:** Do you think the program is worth continuing?

**The Hon. PENNY SHARPE:** Yes. The first thing I'd say up-front is that I wish that we didn't need feral-free areas. I wish that we were able to eradicate invasive species wherever they are. A lot of the focus and a lot of the work that's done within national parks and across other land tenures across the government is about that. Obviously we have the biosecurity, so, yes, I like them.

**The Hon. NATALIE WARD:** If you think it's worth continuing, will you commit to further funding?

**The Hon. PENNY SHARPE:** As you know, I have to work through my own budget processes, but, yes, that is ongoing and, yes, they're working very well and, yes, we're finding that previously locally extinct animals are being reintroduced into those areas.

**The Hon. NATALIE WARD:** The State's at risk of losing over a thousand of our precious native animals, plants and ecological communities. Is the Saving our Species program going to receive more funding in the upcoming budget?

**The Hon. PENNY SHARPE:** Nice try! You used to be a Minister. There is no way I can tell you what's happening at ERC or what's going to be in the budget, but let's just say Saving our Species is a great program.

**The Hon. NATALIE WARD:** Are you going to passionately fight for it? Will you go and see your colleague and passionately fight for it?

**The Hon. PENNY SHARPE:** If you want to lobby me about that, I'll lobby on your behalf. But let's just say, I am on ERC, I am aware of all of the issues but, no, I'm not going to be pre-running them at this hearing.

**The Hon. NATALIE WARD:** Do they have enough funding given the task at hand?

**The Hon. PENNY SHARPE:** We could always have more funding for the environment, and I do say that to the Treasurer quite regularly, but that's as much as I'll say.

**The Hon. NATALIE WARD:** Minister, what are the latest koala numbers in New South Wales?

**The Hon. PENNY SHARPE:** I can get the numbers across the State. There's always been an issue that there's a variance in terms of how many there are. When we did the koala inquiry, I think it was between 15,000 and 30,000.

**The Hon. NATALIE WARD:** Can you take that on notice?

**The Hon. PENNY SHARPE:** I can take it on notice but I am actually answering the question.

**The Hon. NATALIE WARD:** I've got six seconds. I'll just ask that you take that on notice and what's the projection for 2030, 2035 and 2040.

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**CORRECTED**

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**The Hon. PENNY SHARPE:** Sure. It will be better than Matt Kean who just decided to double them without even knowing how many there were.

**The Hon. NATALIE WARD:** Just answer the question, Minister. Just do your job; that would be good.

**The Hon. PENNY SHARPE:** Well, 2026 we'll actually have the full count, so that will be helpful.

**The CHAIR:** In the last couple of moments, I just want you to please take on notice—because I think you will need to take it on notice—that with the biomaterial reports that I referred to earlier and that those reports for quite some time provided material in them that was not accurate, has now been revised and we are told is accurate, but I'm not certain that there is a high degree of confidence in that. But one of the things—and I will take it up with Mr Chappel but I really want you to take this on board—is that there is a clause, a regulatory function of the EPA that the Forestry Corporation cannot log if the primary purpose is to retrieve or obtain low-quality products. Now that those material reports have been modified and changed, it would appear that the Forestry Corporation has been undertaking whole activities, particularly in the south-east forests, completely in breach of the coastal integrated forestry operations approvals. This has a major implication for the way the Forestry Corporation has actually degraded the forest estate.

Whilst I understand it's forestry, it's EPA's regulatory function. The reason I'm bringing it to your attention is that there are organisations that have raised this with the EPA now over months and months. They first raised it as a regulatory issue back in 2023. It was raised in 2024, and then this year the Forestry Corporation has admitted to those errors. There just seems, for whatever purpose, for whatever reasons, a regulatory failure there, and that now there have been, as appears to be, operations that have been undertaken that are wholly inconsistent and contrary to the approval for forestry. It is an area that is an EPA function, so I'm asking you, Minister, if you would take that on notice, that you would follow that up directly—

**The Hon. PENNY SHARPE:** I think you should talk to Mr Chappel this afternoon, but I'm happy to get a briefing specifically on that issue. No problem.

**The CHAIR:** Thank you. The other one that I am concerned about and would be very grateful if you'd be willing to get a briefing on is the EPA's regulatory functions in relation to spray drift and agricultural chemical uses. It seems to be an area of regulation that is, from where I sit, a rather contested space. EPA seems to take an approach of issuing notices but not taking follow-up regulatory action. They are the two primary areas—

**The Hon. PENNY SHARPE:** Sure. I'm happy to do that. I am aware that there is some significant trouble in terms of some of the pesticide work, in terms of understanding the source and being able to get the proof needed to take further action. But I'm as concerned about it as you are. I'm happy to get more information if you'd like me to be further briefed. Can I also just let the Committee know that I met the chair of the threatened species council on 6 June 2023.

**TONY CHAPPEL:** Chair, just to clarify a question Ms Ward was asking about the contaminated land site assessment process, that data, I understand, is from the EPA annual report, and it relates to a commitment to complete the assessment within four weeks. We don't stop the clock when we require additional information, and it's a relatively small number of reports—I think about a dozen—that's reflected in those numbers. The performance, I think, has improved in the last reported year to about 65 per cent, but we certainly are on track to get back to that 90 per cent level, but there's no harm that results from that delay. It's really just about, when we need further information, sometimes it takes more than four weeks, and therefore we don't meet that 90 per cent target in those cases.

**The Hon. NICHOLE OVERALL:** Chair, could I just have a quick point of clarification, too?

**The CHAIR:** Yes.

**The Hon. NICHOLE OVERALL:** Minister, just for us: Broken Hill was the first city on the National Heritage List. The whole of Braidwood town is on the State Heritage Register and was the first.

**The Hon. PENNY SHARPE:** I know. That's good. It's very precious.

**The Hon. NICHOLE OVERALL:** It is indeed.

**The Hon. PENNY SHARPE:** Let's make it work. That sounds really good to me.

**The Hon. WES FANG:** She's very good, Minister.

**The Hon. NICHOLE OVERALL:** Just to get the point right.

**The CHAIR:** Minister, I think you had some things you wanted to bring back. If you want to do that now, in Government time, I think that would be appropriate.

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**CORRECTED**

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**The Hon. MARK BUTTIGIEG:** Thank you for doing my job, Chair.

**The Hon. PENNY SHARPE:** That's all right. Mr Lean's got something. Then I've got various things I will update the Committee about.

**ANTHONY LEAN:** In relation to Mr Fang's question, the farm manager's house is the commandant's house. The reports that I mentioned, the condition assessments, have actually been completed in late February and provided to Heritage NSW, which raised the issue with us. There was no breach notice, of course we'll look at funding some of those works through the budget process.

**The Hon. PENNY SHARPE:** I've got an update. I think others have interpreted what your question was, Mr Fang, and this is the advice they provide. One is that the transmission review really is about future projects, not the ones that are already underway. As I mentioned before, the Central-West renewable energy zone is 4.5 gigawatts of transmission capacity. That enables 7.7 gigawatts of generation. That doesn't mean that no new land needs to be made for those transmission lines. The increase to 7.7 actually enables batteries to be added. The big change that's really occurred since the road map started to roll out is the use of batteries to be able to soak up all of the solar that we've got and then have it ready to discharge into the system when we need. The other issue—I'm not quite sure exactly what you were getting at, Ms Higginson. If people have other issues in relation to the EPA, the Ombudsman does have a role as well, and they can do that. My preference is for everyone to work with the EPA. But, if they're very aggrieved, they can actually go to the Ombudsman.

**TONY CHAPPEL:** I did have one, just to Dr Cohn's earlier question around Captains Flat. Apart from the sampling at the household level, there's also a community-focused soil sampling program, which has been conducted in recent years in the community. If there's other sites they'd like sampling, they can request that. The Legacy Mines Program is led through our colleagues in the Department of Primary Industries and Regional Development. It leads on delivering that program, and there's broad sampling that's occurred, and that all feeds into that program as well. But I'm happy to discuss it more this afternoon.

**The Hon. PENNY SHARPE:** Here we go. My very diligent public servants have also asked me to update so that I do not mislead the Committee. In terms of the National Parks and Wildlife total workforce, 10 per cent identify as Aboriginal or Torres Strait Islander, but the higher percentage of staff reporting is particularly in field-based roles. For example, 24 per cent are in field officer roles—so, on the ground, on country doing that work.

I think this was clear but just in case anyone wants to put words in my mouth, aerial shooting, of course, remains an option within Kosciuszko National Park. But really what I was trying to say—I know that Ms Overall's really interested in this—is that we've reduced the numbers significantly. We're very close to meeting the target that was legislated, two years early. It's a really important milestone. What we're looking at is in the retention areas, seeing what we can do around population control. If horses are moving outside of those areas, there will be control on them. Aerial shooting is less likely now, but they do do aerial shooting around a whole range of things: Pigs are a huge problem, deer. That does mean that, under the right circumstances and following the right protocols, that will still occur. We're not ceasing it, but I think it will not need to be used, particularly in the retention areas, because the program has been so successful to date.

**TONY CHAPPEL:** One last clarification, if I may, just on that contaminated-land piece. I mentioned four weeks is the target. It's actually four months. I misspoke.

**The CHAIR:** Any other questions from the Government?

**The Hon. WES FANG:** Nothing on conflicts of interest?

**The Hon. MARK BUTTIGIEG:** No. I think it's all been cleared up.

**The Hon. PENNY SHARPE:** Nothing on conflicts of interest.

**The Hon. WES FANG:** Nothing on conflicts of interest? Interesting.

**The Hon. PENNY SHARPE:** Barking up the wrong tree, mate.

**The Hon. WES FANG:** I don't think I am, Minister. But that's okay.

**The Hon. PENNY SHARPE:** You go your hardest.

**The CHAIR:** Thank you, Minister, so much for attending this hearing. We've finished with your questioning, and we will return at 2.00 p.m. for more questioning of all the other people.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

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**Ms ALISON PEPPER**, Acting Deputy Secretary, Strategic Policy, Science and Engagement, Department of Climate Change, Energy, the Environment and Water, sworn and examined

**Dr LOUISA MAMOUNEY**, Acting Deputy Secretary, Conservation Programs, Heritage and Regulation, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

**Ms NAOMI STEPHENS**, Acting Deputy Secretary, National Parks and Wildlife Service, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

**Ms HANNAH McCAUGHEY**, Acting Chief Executive Officer, Energy Corporation of NSW, affirmed and examined

**Ms ELIZABETH OWERS**, Acting Executive Director, Heritage NSW, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

**Ms SHARON MOLLOY**, Executive Director, Nature and Natural Capital Strategy, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

**Ms TRISH HARRUP**, Executive Director, Conservation and Aboriginal Partnerships, National Parks and Wildlife Service, Department of Climate Change, Energy, the Environment and Water, sworn and examined

**Mr ASH ALBURY**, Executive Director, Planning and Communities, Energy Corporation of NSW, affirmed and examined

**Dr ERIN GIULIANI**, Chief Executive Officer, Biodiversity Conservation Trust, on former affirmation

**Mr STEPHEN BEAMAN**, Executive Director, Regulatory Practice and Services, NSW Environment Protection Authority, on former oath

**Ms KIM CURTAIN**, Deputy Secretary, Energy, Climate Change and Sustainability, Department of Climate Change, Energy, the Environment and Water, on former affirmation

**Mr MARK WESTBROOK**, Chief Project Officer, Energy Corporation of NSW, on former affirmation

**Mr LIAM RYAN**, Advising Executive Director, Energy, Climate Change and Sustainability, Department of Climate Change, Energy, the Environment and Water, on former affirmation

**The CHAIR:** Good afternoon, all. I note that there are witnesses in the overflow seating area. I would like to remind you that if you do come forward to answer a question, please bring your nameplate with you and place it in front of you at the table. This assists Hansard in ensuring the correct witness is identified in the hearing transcript, and there is nothing more important than pleasing Hansard and making sure that all things run smoothly.

**TONY CHAPPEL:** Chair, just on that, if I could very quickly clarify one point on behalf of the Minister. She mentioned \$87 million in funding for organics programs. The correct number is actually \$81 million, if Hansard could just capture that, please.

**The CHAIR:** Thank you very much. Hansard is nodding diligently.

**The Hon. NATALIE WARD:** I think we'd need to do that formally through the Committee. If that was the number she said, that needs to be a footnote.

**The CHAIR:** We'll resolve that.

**The Hon. NATALIE WARD:** Secretary Lean, I think these questions are to Mr Chappel. Various organisations in the waste industry have raised significant concerns about their treatment by the EPA. I know we had some reference to that earlier from the Minister. Do you feel the current regulatory settings allow for the fair treatment of waste industry participants?

**TONY CHAPPEL:** I do. Would you like me to elaborate?

**The Hon. NATALIE WARD:** Would you like to elaborate on that? I can do it for you.

**TONY CHAPPEL:** The Minister touched on lots of occasions where regulated entities feel that the EPA is being either too tough on them or not tough enough on their competitors, and it's quite a common part of what you might think of as the regulator's dilemma. But the EPA is accountable through a whole series of mechanisms. Our licensing and other decision-making can always be challenged in court, as it is on various occasions. The Minister mentioned the regulatory assurance work the board does and the role of the board more

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**CORRECTED**

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broadly, which is to independently determine a whole host of significant matters. Of course, there are integrity agencies like the Ombudsman, ICAC and so on.

**The Hon. NATALIE WARD:** Can we go to that? I'd welcome it you if you'd like to add, on notice, any additional methodologies that might assist in answering that, to be fair. But in relation to conflicts, would EPA officers that have a conflict with the waste operator, either perceived or real, normally participate in an investigation?

**TONY CHAPPEL:** No. All EPA staff are required to annually update their log of disclosures and interests, and any conflicts, real or perceived.

**The Hon. NATALIE WARD:** Just annually, or are there updating opportunities?

**TONY CHAPPEL:** At a minimum, every EPA staff member must, under our code of conduct, complete that annually. But, of course, if their circumstances change, they need to declare that immediately.

**The Hon. NATALIE WARD:** What protocols are in place to ensure that conflicts of interest, once declared, are appropriately managed?

**TONY CHAPPEL:** We have a series of policies regarding the appropriate management of conflicts. We use the guidelines from the Public Service Commission and ICAC. We regularly review, when any concerns are raised, if those procedures have been followed.

**The Hon. NATALIE WARD:** We saw how that worked out with Kieren Ash, but that's a different estimates. If I can just follow up in terms of contaminated sites, which I think I asked the Minister about earlier in that time, why have the site visits of contaminated sites dropped so significantly, particularly in the past year?

**TONY CHAPPEL:** They haven't dropped. I think the numbers you mentioned earlier from the 2202-23 annual report showed a significant drop, as you said, down to about 34 per cent. The last dataset in the more recent annual report for 2023-24 is about 65 per cent. It's a small number of sites that that measure tracks. The team running it take a very strict view about meeting that timeline. The measure is about resolving the status of contamination within a period of four months. Where additional information is required or other circumstances delay hitting that milestone, then it doesn't count. For many other processes the clock is stopped when that happens. We don't do that. It's a very strict measure we hold ourselves to, but it's perhaps not the best indicator of outcome. It's more tracking a process over a particular period of time that often is not material, if it's delayed slightly longer than that, because of needing further and better information to resolve it.

**The Hon. NATALIE WARD:** Are you confident that that is the reason behind the reduction in these site visits?

**TONY CHAPPEL:** Yes. I am not aware that visitation to sites or inspections or that kind of activity has actually declined. The advice to me is that this is a process measure, and it's reflective of some of those delays on a relatively small number of particular complex matters.

**The Hon. NATALIE WARD:** Do you think the licensing system for waste needs an overhaul?

**TONY CHAPPEL:** I think, as we move to a circular economy, all of our settings need to be reviewed. A number of them, I think, do create unintended consequences, and there's significant opportunity to improve those. Perhaps the better focus, in my view, for the waste sector in the near term is on some of the resource recovery orders and exemptions, and the issues we have around when a product ceases to be waste and comes back into the productive economy, as well as enabling innovation pathways and more streamlined licensing for businesses to try new technologies and succeed or fail before they move into the formal licensing regime. I wouldn't characterise it as a challenge particular to licensing but, more broadly, I'd certainly agree there's an opportunity for those settings to better enable innovation and protect community safety.

**The Hon. NATALIE WARD:** I might come back to that if there's time. In relation to green waste, we've heard of a circumstance where a large green waste operator hasn't been audited onsite for 20 years and a smaller operator has been, in their words, harassed by the EPA for over two years now. Going back to your initial point, are all these operators treated in the same manner?

**TONY CHAPPEL:** I'm aware of the circumstances you're referring to. I don't think that characterisation is accurate, though, by any stretch. I think that data is perhaps two or three years out of date. In the last three years there have been significant statewide programs of audit and inspection across different organics processing parts of that sector. It's been a major regulatory and compliance priority for the EPA in the current financial year as well. I should also say that, as I understand it, the company you're referencing has had for more than a decade a real struggle with complying with the basic requirements of their licence. That has culminated in escalating

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**CORRECTED**

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regulatory action and a number of legal challenges that the company has availed themselves of, as they're entitled to do.

I have commissioned a review of that process, but everything I've seen through my own engagement on this issue since it came to my attention is that there is an appropriate escalation of regulatory response, where a company is refusing to put in place the safeguards required under the licence. The courts have validated that view as well. In terms of the specifics of individual licences, scale is one variable but so too are the activities onsite, the local conditions in that catchment or area and a number of other factors that mean licences will inevitably vary significantly.

**The Hon. NATALIE WARD:** If you'd like to take on notice the auditing of that particular one, though, for onsite for the—

**TONY CHAPPEL:** Sure. Happy to take any—

**The Hon. NATALIE WARD:** —last 20 years if that's accurate and what there might be behind that. Why do you think a statewide compost audit would see a review of some small sites but not the larger sites in the State?

**TONY CHAPPEL:** I don't think that's an accurate depiction of circumstances. The EPA every year publishes regulatory and compliance priorities. One of those this year is organics processing facilities. We've completed a series of assessments across the State on the inputs, the processes, the safeguards and the quality of the outputs in those processes. That has been done consistently without fear or favour and certainly without any steering towards smaller- or larger-scale operators.

**The Hon. NATALIE WARD:** But if reporting, say, from a green waste site showed no environmental damage and no complaints had been made about the site, why then would the EPA commence action against the operator?

**TONY CHAPPEL:** That's a very hypothetical question, Ms Ward.

**The Hon. NATALIE WARD:** It is, Mr Chappel.

**TONY CHAPPEL:** I can give you a few potential answers, but the issue of environmental impacts onsite is one criteria to consider. Equally relevant is the risk of environmental impact outside the site and the type of material being brought into the site, the risks that that might pose, the kinds of activities that are proposed to be undertaken, and the legacy contamination remaining onsite perhaps from previous uses, which may pose a risk in certain circumstances to neighbours or more broadly. Those are all relevant factors.

**The Hon. NATALIE WARD:** It's not a trick question. It's literally some people judge it onsite only and think that they're the only factors so it's helpful to understand what the other opportunities are to prompt that.

**TONY CHAPPEL:** If I could just add, I understand that, as a matter of practice, we visit every site a minimum of once every five years. But over any five-year period we would've visited every site.

**The Hon. NATALIE WARD:** Does the EPA, would you say, have a strong working relationship with the waste industry or is there need for work on that relationship?

**TONY CHAPPEL:** I think any relationship where part of the role involves holding operators to account for various standards will always have challenges, but I pride myself on having a very productive, open relationship with the sector. They're a real priority for us to engage with. We engage with them deeply and I think many of the peak groups would agree that we engage very collaboratively around key policy questions. The recent work the Government has progressed on battery stewardship and managing those risks—

**The Hon. NATALIE WARD:** Do you mind if we go to the batteries issue?

**TONY CHAPPEL:** Sure.

**The Hon. NATALIE WARD:** Are you confident that the Government has the right approach to dealing with lithium and other e-batteries?

**TONY CHAPPEL:** I'm certainly confident that the actions being taken and proposed to be taken will deliver a step-change reduction in the risk. I think, as batteries proliferate and technology continues to change, there may be more to do as well, but the Government convened a waste industry summit at the end of last year with many of these key stakeholders, both from recycling sectors but also the battery manufacturing and recycling sectors particularly. There is pretty strong endorsement for the steps that have been proposed around a mandatory stewardship program. In fact, we've been working closely with colleagues in other States to ensure that is a national solution given the Commonwealth Government don't have the capacity to act in this space.

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**CORRECTED**

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**The Hon. NATALIE WARD:** Do you think energy from waste is safe?

**TONY CHAPPEL:** I think any technology poses risks. The question for regulators is how those risks are best managed to ensure the community and the environment are safe. It's no different to many other technologies in that regard.

**The Hon. NATALIE WARD:** I might move on to—direct me if I'm incorrect, Mr Secretary—the Great Koala National Park. Probably Ms Stephens, is it? In relation to the Great Koala National Park—and take it yourself if you'd prefer—how much money are you spending on consultants in the Great Koala National Park?

**ANTHONY LEAN:** We'll need to take that on notice to provide you the detail.

**The Hon. NATALIE WARD:** You don't know that amount?

**ANTHONY LEAN:** Off the top of my head, no, I don't know. Unless Ms Stephens—

**NAOMI STEPHENS:** No, I don't have that figure either.

**The Hon. NATALIE WARD:** Are you able to bring that back this afternoon?

**ANTHONY LEAN:** We'll try and do that, yes.

**The Hon. NATALIE WARD:** In relation to consultancies, would you publish the advice from those consultants?

**ANTHONY LEAN:** Sorry, which advice from which consultants?

**The Hon. NATALIE WARD:** You retain consultants, presumably. You spend some money on that. The advice that you get—is that something that you would consider publishing?

**ANTHONY LEAN:** Well, it would depend on the particular piece of work that was being undertaken.

**The Hon. NATALIE WARD:** What sort of work is being undertaken by consultants?

**ANTHONY LEAN:** Off the top of my head, there's the Mandala work that we've spoken about. There have been briefings provided on that work to the various stakeholder panels. The other engagement that I'm aware of is in relation to the ACCU work and there's recently been a plain English document which outlines the methodology that we're seeking, which has been published. But it's horses for courses. It depends on each particular piece of work—whether it's appropriate to publish. I can't give you a blanket commitment today that, yes, that is what we will do, but we'll certainly look at it on a case-by-case basis.

**The Hon. NATALIE WARD:** For those, though, given that there is some work ongoing, it's taxpayer dollars. Are you able to take on notice what consultancy work is being done and whether that is published or will be published or, if it won't, the thinking behind why it won't?

**ANTHONY LEAN:** We'll consider that and respond on notice.

**The Hon. NATALIE WARD:** You will take it on notice?

**ANTHONY LEAN:** Yes.

**The Hon. NATALIE WARD:** Is the funding for the Great Koala National Park new funding or has it been diverted away from the original Koala Strategy?

**ANTHONY LEAN:** There was an initial amount provided in the State budget of \$80 million and there will be a need for a further budget submission when Government considers establishing the park. That will proceed through the usual budget process. No, it hasn't been taken away from the Koala Strategy. The \$80 million was new funding.

**The Hon. NATALIE WARD:** When you say, "when Government considers establishing the park", you mean that it hasn't—that's still a threshold question?

**ANTHONY LEAN:** When the final decision comes back for consideration by Government.

**The Hon. NATALIE WARD:** When do you anticipate that will be?

**ANTHONY LEAN:** I think the Minister sort of dealt with that this morning. Soon.

**The Hon. NATALIE WARD:** I'm asking you as the secretary: When do you anticipate that will be?

**ANTHONY LEAN:** You heard what the Minister had to say.

**The Hon. NATALIE WARD:** I did, and I'm asking you.



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**CORRECTED**

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**ANTHONY LEAN:** It's ultimately a decision for Cabinet. I'm not going to speculate when Cabinet will make a decision on a particular issue; that's not appropriate.

**The Hon. NATALIE WARD:** Going back to consultants and the funding, what, if any, consultants' reports would not be published? What would be the secrecy around this project?

**ANTHONY LEAN:** Government agencies, and you would know this from the time that you were a Minister—

**The Hon. NATALIE WARD:** I do, which is why I'm asking.

**ANTHONY LEAN:** —commission a range reports. I'm pretty sure you didn't release every consultant's report that the department for transport received.

**The Hon. NATALIE WARD:** It's not on me, but my question is based on that experience and understanding that there are consultants retained by taxpayers to provide reports and look into issues. In relation to the Great Koala National Park, what areas do you envisage could not be published? What is the secrecy around these reports and this work?

**ANTHONY LEAN:** I didn't say there was any secrecy. I said that we would look at it on a case-by-case basis. We'll do that as part of the ongoing process.

**The Hon. NATALIE WARD:** As part of that \$80 million, how much of that \$80 million is left?

**ANTHONY LEAN:** I'll take that one on notice, but we should be able to come back to you this afternoon on that.

**The Hon. NATALIE WARD:** Ballpark?

**ANTHONY LEAN:** I'd rather get you a precise answer than speculate.

**The Hon. NATALIE WARD:** So the current budget won't include a new koala national park?

**ANTHONY LEAN:** There'll be a need for a further budget submission to be made.

**The Hon. NATALIE WARD:** So it doesn't fit within that present window?

**ANTHONY LEAN:** No, I don't believe so.

**The Hon. NATALIE WARD:** Have you prepared that submission already?

**ANTHONY LEAN:** We're getting into issues that ultimately have to go to Cabinet. I don't think I can speculate too much on that.

**The Hon. NATALIE WARD:** Is that part of the current budget submission? It's not far away.

**ANTHONY LEAN:** Can I just say that the budget process is underway at the moment.

**The Hon. NATALIE WARD:** But you can't say whether the current budget—it would absolutely need a new budget submission? The current budget doesn't include it?

**ANTHONY LEAN:** I mean Government needs to make its decision around the park. The budget that will be needed will depend on the size of the park. I think you're asking me to engage in a degree of speculation.

**The Hon. NATALIE WARD:** It's important for those koalas, I would have thought, but I'll move on. What programs have been delayed in the Koala Strategy to make way for the Great Koala National Park?

**ANTHONY LEAN:** I'm not aware that any are being delayed. I think I clarified before that the money, the \$80 million, didn't come out of the Koala Strategy budget.

**The Hon. NATALIE WARD:** So none, then?

**ANTHONY LEAN:** I think there may have been some delays to the statewide koala survey, in view of the need to prioritise the surveys for the GKNP. But, aside from that, I'm not aware of anything else that has been delayed. Certainly, as I said, the funding that's been provided for GKNP to date didn't come out of the Koala Strategy.

**The Hon. NATALIE WARD:** Can I just go to the State of the Environment report? Do we know where that is at?

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**CORRECTED**

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**TONY CHAPPEL:** Certainly. I can take that. It's functionally complete. There are a couple of minor refinements, in terms of content and the peer review process for a couple of chapters, but it's really imminent in terms of its completion.

**The Hon. NATALIE WARD:** Really imminent is better than soon, so we're getting some progress and some clarity.

**The CHAIR:** We need a spectrum, with a graph.

**The Hon. NATALIE WARD:** Yes, the pendulum. Can I just come back quickly? It seems that some of the programs are being delayed. Can we have any further clarity this afternoon? I invite you to provide that, if there's any clarity on any of those programs that we've mentioned about any delays and clarifying whether that is or isn't the case. I want to go quickly back to asbestos, Mr Chappel, if I may, on the investigations. I think we've covered that slightly, but is there anything else that you want to add given that dropped? I think COVID was at some point given as a reason, but there haven't been those lockdowns. Is there anything you wanted to add to that? I had suggested we come back to it.

**TONY CHAPPEL:** I'm happy to come back to it. On the State of the Environment report, I need to reiterate that the report is not delayed. The 2021 report wasn't published until the first quarter of 2022, or slightly afterwards. We're still on a normal timeline for publication. Parliament should be confident that the EPA will acquit its obligations under the statute as required.

**The Hon. JOHN RUDDICK:** My question is to Mr Lean. As you're aware, there's a new administration in Washington. President Trump has said on multiple occasions that he is sceptical or even dismissive of the global warming orthodoxy. If the world's biggest economy and our principal ally reverses policies designed to change the weather, do you think that will have an impact on the renewable rollout in New South Wales, or will it be business as usual?

**ANTHONY LEAN:** I think it's probably too early to tell what impact that might have. Certainly my understanding is that he's looking or has in fact decided to dispense with programs under the Inflation Reduction Act. One of the benefits that could flow from that is there'd be more interest in investing in a jurisdiction that's committed to rolling out the renewable energy that's needed to tackle climate change. Aside from that, it's a very broad, open-ended question. I'm happy to address some specifics if you want.

**The Hon. JOHN RUDDICK:** What could potentially be some of the downsides?

**ANTHONY LEAN:** Of the US not—

**The Hon. JOHN RUDDICK:** It sounds like Trump's going to pull the public funding on all this stuff. That could have some impact on New South Wales, since we're so invested in it. What do you think? You're saying it's an open-ended question. What could be a worst case scenario?

**ANTHONY LEAN:** We have a range of programs. We're rolling out the Electricity Infrastructure Roadmap in New South Wales. I can't see that would be impacted in any way except that there might be an appetite for greater investment in New South Wales. Beyond that, in terms of our broader Net Zero Plan, again, they're all very focused on New South Wales. I'm not exactly sure what you think the implications might be for New South Wales.

**The Hon. JOHN RUDDICK:** I was asking you as the expert. I'm glad you referenced the Inflation Reduction Act, because it came out over the weekend, through the efforts of the Department of Government Efficiency, that about \$400 billion was used from that fund. It was basically a slush fund for the Biden administration to hand out money to climate businesses, which was enriching crony capitalists. A lot of them had no experience whatsoever in this field. Are you confident that New South Wales is not also enriching people who are very skilled at extracting public funds into their pockets under the guise of trying to change the weather?

**ANTHONY LEAN:** Our main program is of course the Net Zero Plan; that was developed in 2021. Whilst I wasn't around then, we have rigorous processes in government that ensure that we have good project design, good project management and good monitoring and evaluation frameworks to ensure that what we're proposing, and as we go through and deliver it—that we actually deliver what we set out to do. If needs be, we will reset programs if they're not delivering what they're meant to deliver. I can't really comment on what the situation is in the US, but I'm confident in the process that we have in place in New South Wales around the design

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of programs to ensure that they're targeted and effective. If they're not, we review them and we can reallocate funds.<sup>2</sup>

**The Hon. JOHN RUDDICK:** My last question is for Tony Chappel. Nice to see you again, Tony. I've known him for 30 years. He doesn't age.

**The Hon. WES FANG:** Neither do you, John.

**The Hon. JOHN RUDDICK:** Mr Chappel, in 2014 President Obama instructed his EPA to declare carbon dioxide a toxic pollutant. But when I ask Google what is the gas of life, it says carbon dioxide. Does NSW EPA consider carbon dioxide to be a toxic pollutant or the gas of life?

**TONY CHAPPEL:** Firstly, let me thank you for 30 years ago, for helping me out with my first mortgage as my broker. I appreciated that, and I of course appreciate our interactions.

**The Hon. WES FANG:** Is he still making a monthly fee?

**TONY CHAPPEL:** I don't think I need to disclose that. Like many things, I think it depends on the quantum involved and the system. You can have a bath that you fill three quarters full and it gives you a great bath. But if you leave the tap running, and even if the plug is pulled out, if there's more water coming in than out, eventually that bath will overflow and it'll do terrible damage to your bathroom and your house. Greenhouse gases, including CO<sub>2</sub>, are much like that. Naturally, of course, they fluctuate, and they remain relatively in a balanced state, with other factors sometimes pushing them out of balance.

One of those factors, and quite a significant one since the Industrial Revolution, is the combustion of previous carbon that's been stored for millions of years as fossil fuels. In the context of how the EPA considers greenhouse gases, those sorts of human-induced sources are considered pollutants, and that means they need to be managed to safe levels—not necessarily absolute zero, but to levels where they're not going to contribute to further shifts in our climate system.

**The CHAIR:** Mr Lean, I think this might be for you. DCCEEW released the report *Koala survey of the Mid North Coast assessment area* with the Great Koala National Park. I don't believe the sister report with the survey results for the endangered greater glider has been released. Can you tell us why or if that will be released? Perhaps Ms Stephens may know more.

**ANTHONY LEAN:** Can we take that on notice? At this point we've released the data around koalas largely through the panels, I think, and it's also been published as well. The reason for that is largely because we're looking at the Great Koala National Park, but we'll take on notice the release of the other data.

**The CHAIR:** If it's not going to be released imminently, or very imminently, I'd like to know why it's not being released. Mr Chappel, I'd like to follow up with you about the Forestry Corporation's biomaterial reports. The understanding that I've managed to ascertain from all of the complaints and various things that I've seen is that it appears that these biomaterial reports have produced inaccurate material since 2018. But there is actually a question around the whole last decade, and that comes from Forestry Corporation themselves. The inconsistencies include reclassifications of high-quality logs as lower value logs and reductions in reported yields.

Forestry Corporation has said publicly that there's an underlying data issue, but there's no clear understanding of what that means. I've tried to work out what that means and look at the data to suggest, if you took one column of data and put it in the wrong column, or you doubled it—but no matter how you dissect the numbers, it doesn't quite add up. As I indicated to the Minister, the EPA was first notified in 2023 about misreporting and inconsistencies. The South East Forest Rescue identified with the EPA in 2023 about the 2021-22 biomaterial reports, and then the North East Forest Alliance and South East Forest Rescue have made various complaints. One of the allegations, of course, is that this breaches the IFOA.

**TONY CHAPPEL:** Yes.

**The CHAIR:** Also, as I pointed out to the Minister, now that those reports have been recalibrated or changed or whatever, it seems that there are now whole operations that have been primarily for the purpose of low-quality product extraction, which as we understand it violates condition 13 of the CFIOA as well, which says, basically, that you can't undertake an operation for primarily low quality. Can you explain to me or to the

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<sup>2</sup> In [correspondence](#) to the committee dated 27 March 2025, Mr Anthony Lean, Secretary, Department of Climate Change, Energy, the Environment and Water provided a clarification to his evidence.

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**CORRECTED**

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Committee, did the EPA act on these complaints in the past? How has this gone on for so long? What does it mean, materially, now?

**TONY CHAPPEL:** Yes, I'm aware of a series of complaints around some of these issues, and I'm obviously aware of the disclosures and updates to the datasets Forestry Corporation made just very recently. I think part of the disagreement from my team with some of these reports is that the IFOA is a regional document, and I think some of the reports and complaints have been wanting to construct that distinction compartment by compartment. I think the way the EPA reads the IFOA is that we're required to take the regional approach. But I can say that there is a live investigation into the data from 2022-23, and so we are looking at that.

**The CHAIR:** Would you be willing to expand that inquiry or investigation, given it seems that the misreporting in 2022-23 now has carried over to 2023-24 and it seems like there were complaints made about 2021-22? I am also informed—and it seems to be the case—that even the revised biomaterial reports are still not complying because they're still reporting at the compartment level or the other level. Are you looking at it?

**TONY CHAPPEL:** I'm very happy to look further at it. I'm not sure. I'm happy to take on notice any other questions on that and come back to them. Yes, very happy to look further.

**The CHAIR:** Was the EPA contacted by the Forestry Corporation before it amended its biomaterial reports back in October and then again in January this year?

**TONY CHAPPEL:** I think I'd better take that one on notice. I just need to take some advice. I'm not aware that we were, but I'd like to confirm that.

**The CHAIR:** Is it your expectation that if an entity that you're regulating does change something that was misleading, or false information that was presented, you would be notified?

**TONY CHAPPEL:** Yes, certainly, if it's material.

**The CHAIR:** Is there an implication that it might not be material?

**TONY CHAPPEL:** I'm not aware of all of the years of data that you're referencing. I mean, I'm aware of the broad issue you've referenced and the issue that volume of timber has been overstated in various ways through these errors from the corporation. But I think I'd have to look at the specifics to answer in that context.

**The CHAIR:** Can I take it that the EPA is taking on notice—and perhaps can I prod that bit further—that you are looking at these concerns. One is the breach of the IFOA in terms of the reporting, like you say. It's not just the volumes; it's also the classifications of the products that have been taken. Another is the concerns around the primarily produced low-quality operations.

**TONY CHAPPEL:** Yes.

**The CHAIR:** Can I turn to the EPA's chemical regulation. Obviously, the Pesticides Act in New South Wales imposes conditions on pesticide use. In 2023 the EPA, as I understand it—and I could be wrong—launched several compliance campaigns on spray drift, issuing nearly 130 advisory letters and conducting 15 investigations across key agricultural regions. Can you provide the number of enforcement actions that were taken against pesticide misuse in the last three years?

**TONY CHAPPEL:** Yes, I'm sure I can. I might get it this afternoon if that's alright.

**The CHAIR:** Perhaps another one to take on is how many EPA inspections of chemical and pesticide use have occurred in the forestry and agricultural sectors in the past year.

**TONY CHAPPEL:** Of pesticide use in the forestry sector?

**The CHAIR:** Yes, forestry and ag sectors in the past year.

**TONY CHAPPEL:** Sure.

**The CHAIR:** Do you consider that at this point you have adequate resources and staffing to enforce chemical compliance across the State?

**TONY CHAPPEL:** I think chemicals and pesticides are an area that, in my view, warrants significant reform and improvement in how all governments collectively work, and agencies across government. The EPA has spent the last 12 months working hard with our stakeholders inside government, and now externally as well, on what we call an outcomes hierarchy of the ultimate outcomes we want to get to, both in terms of pesticides and chemistry. It was a very positive reform last year that Parliament adopted the IChEMS legislation. That gives us strong tools which we can use. But we are also dealing in a context where the Federal pesticides regulator has had

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dozens of reviews on foot for over a decade, so at the Commonwealth level, that has now been addressed. There's a new leader and management team in that agency.

The Federal Government, as I understand it, comprehensively reviewed that agency and is implementing a series of reforms. There's certainly room for a real step change in effectiveness to make sure the right chemistry is used in the safe way and doesn't impact ecosystems or people adversely. In the near future, the EPA will be consulting publicly on these outcomes and key risks and how we address them. That will then inform our budget and resourcing. I'm confident that we're doing the work to comprehensively and properly consider those risks as a whole-of-government perspective, because it goes to the food safety authority and these other agencies we need to work with. There'll be more on that to come. My colleague Mr Beaman can add some more detail as well. Would you like to add anything, Steve?

**The CHAIR:** While Mr Beaman's coming up, on notice, I'm curious to know how many repeat offenders from last year may have faced stronger penalties or any prosecutions over the last 12 months?

**TONY CHAPPEL:** I'm happy to take that on notice.

**The CHAIR:** Mr Beaman, I'd be very interested to know what is happening in terms of—

**STEPHEN BEAMAN:** In the pesticides space, in 2023-24 the EPA visited 163 properties across New South Wales—50 premises in Narrabri, Moree and Walgett; 32 in the Macquarie Valley; 58 in and around Griffith; and 23 in Narrabri and Moree. We've got a strong record on taking action for pesticide noncompliance. For the period 1 March 2020 to 30 June 2024, we issued 173 advisory letters, 48 formal warnings, 44 official cautions, nine clean-up actions and 22 prevention notices. We issued 36 penalty notices, totalling \$68,500, under the Pesticides Act. For the period 1 March 2020 to 21 February 2025, we prosecuted 16 pesticide-related charges in the courts. Two convictions have been recorded, 11 charges are subject to a section 10—which is the offence proven but no conviction recorded—and there were three acquittals.

**The CHAIR:** Is that reported anywhere in an annual report? Is that available?

**STEPHEN BEAMAN:** They'll be in an annual report for each of those periods, absolutely.

**The CHAIR:** So 16 over five years have been commenced in courts.

**STEPHEN BEAMAN:** Correct.

**The CHAIR:** In terms of that public reporting and transparency, the EPA maintains a public register of the pesticide licences and enforcement actions. Are all of the violations and penalties publicly accessible on those registers?<sup>3</sup>

**STEPHEN BEAMAN:** They should be, yes.

**TONY CHAPPEL:** One of the challenges from an evidentiary basis is proving beyond a reasonable doubt something like overspray, when the report comes days later and sampling is very difficult at that time. There are some practical issues that perhaps go to the need to rethink how you approach the problem holistically. All the positive convictions or other outcomes would be reported.

**The CHAIR:** I know I've spoken with you many times, Mr Chappel, about the serious concern about mass defoliation incidences across certain agricultural regions. Given that EPA officers are also in those regions and those environments, do they ever report these incidences themselves to the EPA as they're occurring in the landscape?

**TONY CHAPPEL:** I'd have to take that one on notice to confirm.

**The CHAIR:** I'm also curious about the monitoring program at the Macquarie Valley. It's a similar concern that I've raised with you. Will the EPA or have you already released the full data from the monitoring program conducted in the Macquarie Valley?

**TONY CHAPPEL:** I understood that we had. That monitoring program was a relatively unsophisticated program, detecting the simple presence or absence of various chemicals. We're considering, in the context of what I talked to earlier about the outcomes hierarchy and the risk identification and mitigation measures, how to consider a more granular and effective monitoring regime. Do you know if the data was released, Mr Beaman?

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<sup>3</sup> In [correspondence](#) to the committee received 27 March 2025, Mr Steve Beaman PSM, Executive Director, Regulatory Practice and Services, Environment Protection Authority provided a clarification to his evidence.

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**STEPHEN BEAMAN:** I understand that we had released the outcomes of that surveillance program.

**The CHAIR:** I think there have been analyses, but the actual data—there have been commitments that it will be released and there have been discussions that it has been released. Could you please take it on notice and make sure that it is provided—the full datasets of that monitoring program to be made available?

**STEPHEN BEAMAN:** Yes.

**The Hon. NICHOLE OVERALL:** I have some questions for Heritage NSW. The Auditor-General made mention in the 2023 report into State heritage assets that Heritage NSW was progressing work to draft reforms to the Heritage Act. How is that work progressing?

**ELIZABETH OWERS:** The legislative reforms will be covered off after the Heritage Strategy. That is in development at the moment, and there'll be an action that falls out of that.

**The Hon. NICHOLE OVERALL:** And the Heritage Strategy is how far away?

**ELIZABETH OWERS:** We're expecting to go for consultation later this year.

**The Hon. NICHOLE OVERALL:** How much longer after that? Is there a period of time?

**ELIZABETH OWERS:** The strategy would need to be approved, presumably by Cabinet. We'd be at the whim of them.

**The Hon. NICHOLE OVERALL:** So we're probably not even at a "soon" for that one.

**ELIZABETH OWERS:** Maybe a little bit longer than soon.

**ANTHONY LEAN:** Maybe in due course.

**The Hon. NICHOLE OVERALL:** All things being equal. What feedback can be taken on board from the Auditor-General's report?

**ELIZABETH OWERS:** In general?

**The Hon. NICHOLE OVERALL:** Yes.

**ELIZABETH OWERS:** A lot of the focus from the Auditor-General's work was, for example, looking at our State Heritage Register and data gaps within that. We've been doing a program there. The Heritage Council has signed off on a policy for how we amend the State Heritage Register. It's not an easy process. That has been done last year. The team is currently doing an analysis of the register and working out where those gaps are around significance and where contemporary heritage values may need to be captured, like Aboriginal cultural heritage, for example. That's expected to be finished this month. We'll be taking that to the Heritage Council in April—their meeting is in the first week of April—and then looking at a strategy for how we actually put that into place and deliver that.

**The Hon. NICHOLE OVERALL:** For my own information, being new to the upper House, how long has this all been going on?

**ELIZABETH OWERS:** What exactly, sorry?

**The Hon. NICHOLE OVERALL:** The heritage register, the analysis and the amendments to the register. Has this been an ongoing process for a couple of years now or is it a newer thing?

**ELIZABETH OWERS:** To give you a little bit of background, prior to the State Heritage Register, there was a thing called—I'll have to check the name of it, but conservation registers were all tipped on and became the State Heritage Register in 1999. A lot of those did not have the heritage significance assessments done but have been managed as part of the State Heritage Register. It has been a known issue for 25 years. What we have been focusing on lately, though—and the Auditor-General picked up something that we knew—is understanding the extent of those gaps and how we fill them.

**The Hon. NICHOLE OVERALL:** When you're talking about "lately", you're pretty much indicating that from the 2023 report you have been doing this work?

**ELIZABETH OWERS:** Since 2023 we have been actively working on it, yes. The analysis piece, though, has been done in depth since the Christmas shutdown period—over the Christmas shutdown and now.

**The Hon. NICHOLE OVERALL:** Does Heritage NSW have capacity under its current funding model to have adequate oversight of the State's heritage assets?

**ELIZABETH OWERS:** I think so, yes.

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**The Hon. NICHOLE OVERALL:** To the degree that it's fully being addressed in every way possible?

**ELIZABETH OWERS:** Under the Act, there are a lot of functions that could be done on a scale. I guess it's depending on where it is. We have been given a reasonable amount of funding to be able to deliver what we can. There are obviously things that we can do to improve, and we are working on those.

**The Hon. NICHOLE OVERALL:** I have a couple of specific examples. Coming back to community opinion, in regional New South Wales it's not necessarily felt that the Government is taking good care of heritage assets. There are two examples that I'm referring to. The old Tamworth ambulance station is more than 90 years old. It has value for the local community. Currently, the department of health is holding on to it. It has been empty for more than a year now with no maintenance and no care. The police station at the Braidwood Court House is another example of this. What's your response to community concerns that not enough is being done and that the oversight isn't as complete as it should be?

**ELIZABETH OWERS:** I understand where they're coming from. We have over 1,800 items on the State Heritage Register. I'd have to check the number, but I believe between 30 per cent and 40 per cent are owned or managed by a State agency. We're not the landowner. Our focus is to support them to be able to meet their requirements under the Act. We, in a response to the audit report, released guidelines last year around how those agencies should be managing those assets. We work with them very closely to understand where they're having challenges and how we might best be able to support them during that process. The other thing that we did last year was our heritage management system. Agencies are required to do a register called a section 170 register. We've been able to create a digital platform to support them to do that and then provided the training. That's being rolled out at the moment, and we're actively working with agencies through that. To loop back to your question around regional communities, there's always more that we can do, but we are actively working with agencies to get a good heritage outcome.

**The Hon. NICHOLE OVERALL:** What about working with local government in the very, very big responsibility of looking after heritage assets?

**ELIZABETH OWERS:** We, again, work closely with local government on this. DPHI has responsibility for local heritage. I think again there are things that we could do to improve the relationship there, but it's a matter of being able to educate and help people understand their requirements under that. Local government is also an owner of a lot of State heritage assets as well, so we work with them in that regard.

**The Hon. NICHOLE OVERALL:** Again, just for the qualification for me, when it comes to the heritage assets overseen by local government, they're financially responsible for those or is some assistance provided as well?

**ELIZABETH OWERS:** As Heritage NSW, we don't provide assistance to that, and local government, just to clarify, may also be looking after local, State or even national heritage items as well.

**The Hon. NICHOLE OVERALL:** Right. A really big responsibility then.

**ANTHONY LEAN:** If I could just add, we do have grants programs that are open to all heritage owners I think. Correct me if I'm wrong.

**ELIZABETH OWERS:** We don't provide them to State heritage agencies. Local governments do get \$25,000 each, and they're able to use that for a range of activities, whether they wanted to use that to invest into an asset themselves—the large majority use that for heritage advisers or to run devolved grants programs. They receive 25 over two years.

**The Hon. NICHOLE OVERALL:** So 25,000 over two years.

**ELIZABETH OWERS:** Yes.

**The Hon. NICHOLE OVERALL:** As you know, caring for heritage assets can be a very, very costly exercise—

**ELIZABETH OWERS:** I'm aware.

**The Hon. NICHOLE OVERALL:** —so it perhaps doesn't go very far on that. Now, what about when it comes to the re-use of heritage assets? The Auditor-General has also said Heritage NSW has a role to play in encouraging government agencies to re-use heritage assets. What's the current policy for adaptive re-use?

**ELIZABETH OWERS:** Adaptive re-use is allowed under the Act. It's one of the objectives of the Act. We would argue we've been doing this for a long time. Sorry, the second part of the question, the adaptive use, the policy—

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**The Hon. NICHOLE OVERALL:** The current policy for the adaptive re-use at Heritage NSW. Do you have anything that you're actively providing or encouraging when it comes to adaptive re-use?

**ELIZABETH OWERS:** Yes, absolutely. We know that heritage items that are used and well used and loved by the communities are the best—that's the best outcome for the heritage items. We work with applicants and owners through our pre-lodgement service to work out what they want to do with an item and how we can help and support them through the heritage process. Also, as part of our heritage grants program, activation is a core component. We have one of our grants that's about \$1 million which is purely for activation to again show and help owners understand what they can do with the property.

**ANTHONY LEAN:** Could I just add as well to that. The heritage strategy, which Elizabeth mentioned before—it's likely that adaptive re-use will be a particular focus of that strategy as well once it's finalised by the Government.

**The Hon. NICHOLE OVERALL:** Has there been much opposition to the policy? Is there much feedback about it? Are you finding that there's disagreement in the sector or the community over adaptive re-use? Is it controversial?

**ELIZABETH OWERS:** I don't think you would find many items where you get whole unanimous agreement from people about one item. I think people know and understand the value of heritage. I think the extent, or what adaptive re-use, differs and is interpreted differently by different people. I can't say there's everyone agreeing on it, but I think there's a general acknowledgement, again, to make sure that heritage items are used, loved and supported within their community, and to do that often involves activation.

**The Hon. NICHOLE OVERALL:** Hear, hear! I do want to preface the next question by declaring that I have had the great pleasure to be the patron of the Cooma Monaro Railway group. Heritage NSW is providing input into Transport for NSW's regional rail heritage strategy. Is that right?

**ELIZABETH OWERS:** Yes.

**The Hon. NICHOLE OVERALL:** What details can you provide about any or all of that? Are they looking to preserve their heritage assets? Offload them? Are they open to adaptive re-use?

**ELIZABETH OWERS:** Transport I think is best to lead on the conversation here. We've been participating through the Heritage Council on working groups that are feeding into that process. It has been going on for a little while now. I personally haven't attended any of those sessions myself. I know they have presented to the Heritage Council on a number of occasions, and they are looking at things. Adaptive re-use is a key component of that, but the strategy isn't finalised, and I think it would be best for Transport to discuss that further.

**The Hon. NICHOLE OVERALL:** Great. I will certainly do that. If I could now turn to the Braidwood Heritage Centre Project. From the aspect of Heritage NSW, are we able to get the details on Heritage NSW's involvement and the part it has played in that project?

**ELIZABETH OWERS:** Yes, absolutely. Firstly, I'd say Braidwood, we acknowledge, is a difficult State Heritage Register listing to manage. It is very large. It is a precinct. It is not alone, though; we do have a few others. We have Catherine Hill Bay and we also have Millers Point and Dawes Point. We've just completed a 15-year review of the management of Braidwood, and it would be fair to say there were some learnings that came out of that. The community was consulted. The local council has been actively involved. To summarise it bluntly, there's a need for ongoing engagement and support for owners in order to be able to understand what the listing means and what they can do with their property and engage them through the process.

**The Hon. NICHOLE OVERALL:** And that they can be penalised as well.

**ELIZABETH OWERS:** Yes. I actually was down in Braidwood in October last year with the Heritage Council. They went and visited that. We met with the council and we discussed the challenges that we have around this and the challenges the council has as well. We've committed to working with the council to provide guidelines for owners about what they can and can't do within the Heritage Act requirements. In terms of the Braidwood Heritage Centre, my understanding of what has occurred there is there was an integrated development application that was put in but there was no archaeology work that was done prior to that DA being submitted. We provided advice that that needed to be done beforehand. We didn't mandate that that needed to be done. That was actually a requirement under the conservation management plan.

I understand the council's heritage adviser had provided advice around that after—let me look at the wording: Post-ground penetrating radar and a statement of heritage impacts needs to be done. The key thing is, when we got that IDA, we didn't have the archaeology information in order to be able to determine that, so it was longer than the statutory time frame. We provided the advice to council that we were okay for the IDA to be



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approved as long as a section 60 under the Heritage Act came through with the archaeology information as part of that. That's not our usual practice, but we wanted to make sure that Mr Smith and the Braidwood and District Historical Society were able to move the project on as quickly as possible. But it's not our grant; we are just doing the regulatory changes around the State heritage item.

**The Hon. NICHOLE OVERALL:** But as part of that and those delays that have contributed to the situation that we're in now, there were cost blowouts that were not adequately covered by the budget as a result of that?

**ELIZABETH OWERS:** I can't comment on that because it's not our grant.

**The Hon. NICHOLE OVERALL:** Are you able to provide any costings for the work that Heritage NSW had to undertake?

**ELIZABETH OWERS:** I'll take that on notice, but we do the work in house, so that would have just been covered within our existing budget. I'm not aware that we outsourced anything for that.

**The Hon. NICHOLE OVERALL:** I'll check that as well. I think there has been some indication of some cost involvement, but I'll potentially put that forward as a supplementary if you're able to look at that as well.

**ELIZABETH OWERS:** Sure.

**The Hon. NICHOLE OVERALL:** Are there any concerns about any other projects around the State that are similarly impacted from the perspective of Heritage NSW? I know that Braidwood is a different circumstance, but it is the bushfire recovery grants that are taking place in this way. Any other projects that are of concern?

**ELIZABETH OWERS:** In terms of the bushfire recovery grants?

**The Hon. NICHOLE OVERALL:** In terms of any other projects that Heritage NSW might be involved in in a similar capacity where the crossover of so many different departments et cetera are impeding the development and eventual realisation of these projects.

**ELIZABETH OWERS:** It's very broad because, in the planning system and within Heritage, there's a myriad of projects going on at any point in time. I'd have to take it on notice to see if there's anything specific that we could provide.

**The Hon. NICHOLE OVERALL:** So what you're suggesting is this situation is hopefully unique in that we don't want to be seeing it more broadly, but it most certainly needs to be addressed.

**ELIZABETH OWERS:** Yes, I think there are complexities in this. We're happy to work with the Braidwood historical society in terms of the heritage aspects of that, and then also help connect them with other parts of government if that can help as well.

**The Hon. NICHOLE OVERALL:** Yes, and we've certainly got to do that by 30 June, so there's quite the hurry-on with that as well. What, if anything, is being done to protect and preserve historic cemeteries around the State, given their incredible heritage significance? I'm not just talking about Rookwood, which I understand is overseen by three trusts that have funding provided by the New South Wales Government. What about our other historic cemeteries around the State?

**ELIZABETH OWERS:** To give kind of a general answer on that, you can either nominate things to be on the State Heritage Register and they could be captured in that, or they could be locally Heritage listed. We look after those items that are either on the State Heritage register, under an interim heritage order or going through the nomination process, but I can't comment generally across the State.

**The Hon. NICHOLE OVERALL:** So that's pretty much the only action that can be taken at the moment. Communities could nominate them for the register, but there's no other plan or remedy or support that's available.

**ELIZABETH OWERS:** Not within Heritage NSW's remit.

**The Hon. NICHOLE OVERALL:** There could be individual grants, for example, but there's not an overall plan.

**ELIZABETH OWERS:** No, there is no overall plan. The grants that we provide are for State Heritage items, items that are declared as an Aboriginal place, or local government.

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**The Hon. WES FANG:** Mr Lean, back to my favourite topic—I've got many, I know, but today's one is around Mandala. I'm just trying to understand and seek some guidance from you as to how the conflict—or not conflict, as it may be—was originally raised. Did you indicate it was in a letter?

**ANTHONY LEAN:** Yes. Under the pre-qualification scheme in which the engagement occurred, there's a standard form of agreement and standard terms and conditions. As part of that there's an obligation on them. They have to warrant at the start of the agreement that there are no conflicts of interest and then, during the course of the agreement, they have to notify us of the potential existence or possibility of a conflict of interest.

**The Hon. WES FANG:** Who started working for whom first? Did they work for your department prior to you taking on the Australian Climate and Biodiversity Foundation?

**ANTHONY LEAN:** Mandala was engaged by us in 2023. December, I think, is when the engagement was entered into. Towards the end of that engagement—they were due to give us the deliverables at the end of May 2024; I think the date I gave before was 16 May—they notified us of the potential for a perceived conflict of interest, and they notified us of the steps that they were taking to address that. Their work with us effectively finished at the end of May. My advice is that they then undertook the work for the Australian Biodiversity Council. That work finished in July. We re-engaged them in July.

**The Hon. WES FANG:** Can I just take a step back?

**ANTHONY LEAN:** There was a variation to our original contract, and they undertook further work for us.

**The Hon. WES FANG:** When were they engaged by the Biodiversity Council?

**ANTHONY LEAN:** I don't have the precise date, but I understand the work that they undertook for them was undertaken during the period in which they weren't doing work for us.

**The Hon. WES FANG:** So it was prior to the engagement in 2023. Is that correct?

**ANTHONY LEAN:** No, that's not what I said.

**NAOMI STEPHENS:** No, it was between May '24 and July '24.

**The Hon. WES FANG:** So you're talking about the second engagement. You disengaged with them in May or June 2024. They advised you in May 2024 that there was a potential conflict because they were taking on a new client, who happened to be in contrast to the work that was potentially occurring?

**ANTHONY LEAN:** No, I don't actually accept that. The work that they were doing for us was a social and economic impact assessment around the GKNP. The work that they were doing for the ABCF was a statewide piece of work that was looking around carbon methodology.

**The Hon. WES FANG:** Around carbon credits. What was the variation that you—

**ANTHONY LEAN:** Can I—

**The Hon. WES FANG:** I've only got 19 seconds left. What was the variation that you asked them to work on?

**ANTHONY LEAN:** They were doing further work on the social and economic impact.

**The Hon. WES FANG:** Not on carbon credits?

**ANTHONY LEAN:** Can I just finish, please, Mr Fang.

**The Hon. WES FANG:** Sure.

**ANTHONY LEAN:** They have not done any work for us on carbon methodologies or accounting. Whilst that has been factored into the economic analysis that they've done, they've essentially taken outputs from other work that we've done. That's correct, isn't it?

**NAOMI STEPHENS:** Yes.

**The Hon. WES FANG:** I'm going to have to come back to this.

**The CHAIR:** I think this may be a question for Mr Ryan, just in relation to the most recent data. I also understand it may be a day to celebrate. Happy birthday.

**LIAM RYAN:** Thank you—hard to keep secrets.

**The CHAIR:** There are no secrets here. These walls talk and *Hansard* records all.

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**CORRECTED**

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**ANTHONY LEAN:** That's the only reason you called him up, isn't it?

**The CHAIR:** No, it's actually not true. Your name is on my page. It may be something that requires notice, but could you provide the most recent data on New South Wales' emissions reduction up to 2024? I think I did raise it with the Minister earlier. We understand there's a 27 per cent reduction in total emissions from 2005 to 2022, with an 18 per cent reduction excluding the land sector. I'm just curious as to whether you've got the most updated emissions reduction data.

**ANTHONY LEAN:** We're in the process of updating the data at the moment, and there will be a further report put out—I think some time this year is the plan—which updates the emissions reduction trajectory that we're on at the moment. But the most recent public report that we've done is the one that reports, I think, 2022 data.

**ALISON PEPPER:** That's right.

**The CHAIR:** And that's it, isn't it? Sorry, Mr Ryan, I've dragged you up just to say happy birthday. With that, are we going to see an expectation that we'll get the updated data this month every year? Is that something that is intended, so that we can all understand what we're doing and where we're at?

**ANTHONY LEAN:** At the moment what we're looking to do is work out how to best sequence that with the timing of the Net Zero Commission's annual report because, obviously, we want them to have access to the most up-to-date and reliable emissions data. It was a little bit out of sync for the first report because I think we put the original data out in April and then their report came out in November. But, going forward, we're working out the best way to do that. I'd also point out that part of the issue with trying to sort this out is there are a number of inputs into that report which come from other sources. At any given point in the year, there could be some other data that comes out next month that would be useful. But we'll just have to work out what's the best time to do it to give the commission the most up-to-date and reliable data.

**The CHAIR:** So we can take it that that is a consideration and that something will happen. Now that we've got the Net Zero Commission, there will be something that is reliably consistent so that, between now and as we approach our first emissions reduction target by 2030, people—because, obviously, it's not just the Net Zero Commission; it's the world at large—can see how we're tracking and when to look.

**ANTHONY LEAN:** Yes.

**The CHAIR:** In terms of something I raised earlier with Mr Chappel and the Minister, the Net Zero Commission has given some pretty strong signals in its annual report around areas of concern that we should all be looking at. I accept completely that we have the parliamentary committee, which I'm obviously on as well and can have input into that inquiry about the annual report. But what is the consideration at the moment about their warning about extending or expanding coal projects and the fact that we're just not yet seeing any clear indication that there will be sector caps. Will there be sector caps?

Is that something that you're considering in terms of advice that you would give to government based on net zero, or is it only the Net Zero Commission that will give that advice? How are we going to see this?

**ANTHONY LEAN:** That really is a question about future Government policy, which it's more appropriate for the Minister to answer. But, at the moment, what the Government is doing is waiting for the results of the parliamentary inquiry and it will then, in its Government response, set out what steps it proposes to take to respond to the issues that have been raised by the Net Zero Commission. That said, I know that the EPA has been doing work in relation to coalmine emissions, which was touched on this morning.

**The CHAIR:** I'd be really happy if you could elaborate on the guidelines. I hear that reason—"Well, because Moolarben is in the pipeline"—but this is the whole conundrum, I think, that I'm trying to get at. I think the Net Zero Commission has said, "Hey, there are all of these new coal projects. They're all at various stages." Are we suggesting that we throw our hands in the air about the ones that have already been approved or that are still in the pipeline? What do we do about those?

**TONY CHAPPEL:** No, I'd say far from it. To the guidelines themselves, whilst they were published in draft some time ago and they applied from that point and they've now been finalised, essentially the content of those guidelines, in their substantive form, have been contained in EPA advice to our colleagues in Planning for the past couple of years, so it has been being fed in. But the issue of performance and innovation and decarbonisation in the existing sector—it's a major sector and it's obviously a major contributor. As the commission calls out with other projects as well that are yet to come to fruition or come through that planning process, there is a series of mitigations that will be complementary to the safeguard mechanism to consider. They need to be cost effective.

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Be aware that there's quite a large difference between the fossil methane emissions of an underground mine, typically, versus open cut, and then it depends obviously on the technologies used. But in many mines, about half their emissions come from the combustion of diesel on site. There are a number of opportunities there that the EPA has already flagged are part of our existing plan. We'll continue to work now, with the advice of the commission and, of course, very closely with our colleagues in the department, to ensure that that regulatory architecture is complementary and maximises the cost-effectiveness and impact of Government policy more broadly.

**The CHAIR:** Do you think the EPA ought to ask the Net Zero Commission to give specific advice—I know I asked this of the Minister—and recommendations, given they have a head of power to be able to provide advice?

**TONY CHAPPEL:** In terms of specific technology?

**The CHAIR:** Anything in terms of them flagging that these coal projects in the pipeline or that any new coal approved is a problem for meeting our emissions, and also their identification that there's a genuine inequity in there, in that they are a massive emitting sector and they're not perhaps doing their—other sectors may have to carry a bigger burden in terms of reducing than the coal sector or the fossil fuel sector is.

**TONY CHAPPEL:** I'm sorry; I'm just not quite clear on the question.

**The CHAIR:** Would the EPA be seeking advice from the Net Zero Commission, given it has that power to provide that advice?

**TONY CHAPPEL:** Perhaps I'll take that on notice. I think we've outlined a series of measures to comply with the Bushfire Survivors for Climate Action mandamus orders that were made on the EPA some years ago. But we were doing that essentially in isolation, in the absence of broader government policy or legislative architecture. Now there is comprehensive architecture, so it's very much a case of how do we join up the science-based approach that the EPA is taking to maximise complementarity and effectiveness with existing Commonwealth architecture—but also, of course, through the department and our government more broadly. We'll be doing that very collaboratively. We will undoubtedly engage regularly with the Net Zero Commission. I probably can't give a specific answer without requesting advice.

**The CHAIR:** I think all I'm trying to get at is precisely what you're identifying. We've got this architecture. Everyone's been working like billyo to create this architecture. Who's going to be operating in it? Is everybody going to be running from room to room, occupying the space within the architecture, or are we all just going to sit in silos and get to 2030 and go, "Gosh, we should have been more proactive in getting advice from each other and hitting the targets"? I think that's all I'm trying to understand.

**TONY CHAPPEL:** If I can just reassure the Committee, not only did the EPA appropriately consider the report of the Net Zero Commission before finalising these guidelines that we've been discussing, but also, more broadly, since the architecture was enacted by the Parliament there has been an utterly joined-up approach and a very—what I might characterise as—deep engagement from the EPA and our colleagues in DCCEE together, grappling with the systemic nature of this challenge and how to address it most effectively. I don't think there's any danger of siloed approaches.

**The CHAIR:** I'm sure you're familiar with the International Energy Agency Global Methane Tracker, which states that a 75 per cent reduction in methane emissions from fossil fuel operations by 2030 is considered crucial. They were talking about limiting global warming to 1.5 degrees. We've probably busted that, but keeping it as limited as possible. Also, last year Minister Sharpe acknowledged concerns about the accuracy of fugitive emissions projections. Are you able to provide any update in relation to what the Minister said? She said, "The EPA, in partnership with other agencies, is investigating using monitoring to improve the evidence base for coalmine fugitive emissions."

**TONY CHAPPEL:** Yes, I'd be delighted to. We've been trialling a series of technologies not only for methane and other greenhouse gas monitoring but also more broadly for environmental quality monitoring in the mining precinct and also in population centres such as Greater Sydney. We've conducted a series of pieces of work with two universities looking at identification of plumes. We've actually identified a number of those and worked with the operators on those. None of them pose a threat to a critical safety or human health risk in the near term. But, of course, we're also mindful that—and we've said this publicly—to the extent we can cost-effectively reduce methane emissions, there's a multiplicative benefit for buying more time for the climate to address some of these other hard-to-abate sectors. Methane is much more intense as a greenhouse gas but also much more short lived. It is a major focus, and it continues to be not just in the mining sector but more broadly. The Net Zero Commission called some of this out as well in other sectors. I'm confident that we'll continue to work with our colleagues in the department and through the Minister to make good progress this year.

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**The CHAIR:** Are all or only some coalmines currently actively monitoring the fugitive emissions, using the best practice top-down and bottom-up measurement and reporting?

**TONY CHAPPEL:** I think mines above the safeguard threshold have to choose which methodology they use. I understand they're all using an appropriate methodology as required, but I don't think there's comprehensive real-time monitoring at this point. That's where we want to get to, and obviously verification is critically important there.

**The CHAIR:** Are you able to provide to the Committee, on notice, how many mines are actually using the best practice measurement? Is that something you have?

**TONY CHAPPEL:** Yes. I'm not sure there's one best practice measure across all mining types and activities, but I'll certainly take that on notice and we'll come back with a good answer.

**The CHAIR:** A consultancy that does a lot of work for the coalmining sector in New South Wales, EMM Consulting, posted on LinkedIn recently that they are "leading the development of guidance for the New South Wales coalmining sector" for the EPA. Is it correct that EMM Consulting was engaged by the EPA to lead the development of a greenhouse gas mitigation guide for coalmines in New South Wales, as claimed on their LinkedIn?

**TONY CHAPPEL:** I wouldn't say they're leading the development of the guide. They're certainly one expert source. I'm aware they are also a member of the Minerals Council, but most of these technical service providers are because they provide services in the ordinary course of their business to various mines and other connected operations. I'm not aware of that LinkedIn post. I'm happy to take on notice the accuracy of how that is characterised.

**The CHAIR:** That would be good. But are you able to identify what they're doing in terms of feeding into the guide if they're not leading?

**TONY CHAPPEL:** I think they're certainly one source of advice, as is the independent advisory committee in the mining sector, where we have representatives from the mining industry but also academia and community organisations and other experts to help us properly characterise global best practice across various different mining contexts and understand the benefits and risks of all of that practice that will help us inform future settings.

**The CHAIR:** Are you aware—and, if not, I'd like to make you aware if that's okay—that EMM have also currently been retained by coal proponents for the HVO continuation project, the HVO modification 8 and the Tahmoor South modification 3 coalmine projects? Were you aware they're currently engaged?

**TONY CHAPPEL:** I'm not personally aware. They may have—I expect they would have disclosed that to the EPA, but I'm happy to take that on notice.

**The CHAIR:** Were you aware that, in preparing the response to the submission document for HVO mod 8 and Tahmoor South mod 3, proponents EMM Consulting comprehensively failed to comply with the requirements of the EPA's own guide for large emitters in New South Wales by failing to set interim and long-term greenhouse gas emissions goals?

**TONY CHAPPEL:** I think that's a short-term modification. Without—

**The CHAIR:** So you wouldn't think that's a breach? Is that what you were going to say?

**TONY CHAPPEL:** No. What I'm getting at is I'm aware there's an HVO near-term modification for a couple of years that doesn't involve any mining activity that isn't already approved but extends the temporal horizon by a few years while I think the company goes back to consider a more comprehensive reworking of mining planning over the coming decades to ensure they meet the requirements of that guideline. My engagement with the issues and with that joint venture has been very much around those longer term objectives. But let me take that on notice.

**The CHAIR:** Do you think that it's appropriate that big consultancies like this are actively engaged in helping develop the guidelines that regulate their own interests or the ones where they're also promoting the interests of big coalmining companies, especially given the work of the Federal Parliament and this Parliament in terms of industry consulting?

**TONY CHAPPEL:** I'll say three things. I'm very confident that the EPA has amongst the most rigorous practice and procedure for managing conflicts that is equal to or exceeds any standard in government. Mitigation of methane in the mining sector, particularly in the coal sector, is a very highly specialised technical area. It touches on lots of other interconnected issues like workplace health and safety as well. The need to have expertise

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grounded in experience is critical in developing policy. But I would also say—and I hope the Committee's aware of this in recent years—that the EPA understands the value not only of receiving work and independently verifying it but being seen to do that. So I'm confident whatever modelling or input this consultant is providing will be independently peer reviewed by my colleagues either in the EPA or in the science division of the department or externally if required, and I'm happy to give that undertaking.

**The CHAIR:** It's not a particularly trust-instilling process when you see a consultant putting such emboldened claims on their own LinkedIn. I know that you don't have a role in that, but that impunity must come from somewhere. I think that it's probably a good warning—particularly an industry and a sector that has been identified by the Net Zero Commission as one that is a serious problem for us actually meeting our seriously important targets. Can I just briefly ask in the last 55 seconds—I know it's probably not going to do justice, but I was interested in the BCT, the current fund. It seemed like there was a big increase from the \$90 million that was in the BCT fund, but I may have got that number wrong when Mr Ruddick asked a question. There was the \$90 million that was sitting in the fund as part of the Auditor-General's, I think, report that identified there was a lot of money in the fund and not a capacity to purchase credits. Could you provide an update on that fund and what your risk analysis around the current fund is?

**ERIN GIULIANI:** Sure. As the Minister said this morning, as at the end of December 2024, \$285 million has been transferred by developers to the Biodiversity Conservation Fund, and the BCT has secured 54 per cent of the total credits paid in at the end of 2024—at the end of the reporting period in December 2024. As at the end of February, we've made more progress on that. Now 62 per cent of credits ever transferred to the BCT and to the Biodiversity Conservation Fund have now been secured. I don't recall the \$90 million figure. I'd have to check the Auditor-General's report. I'm assuming it was correct at the time.

Just to answer your question on risk factors and on progress, I can say that we're making good progress on accelerating our delivery of credits transferred into the Biodiversity Conservation Fund as a result of several factors, one being increased supply. Through the department's efforts, and biodiversity stewardship agreements, supply is increasing. Also, the reforms that were made to the Biodiversity Offsets Payment Calculator in the middle of 2022 have also contributed to ensuring that there aren't disincentives for landholders to participate in the credit supply market. All of that is to say that we're confident that we're making good progress, and that as credits are transferred to the Biodiversity Conservation Fund, the BCT is able to secure those credits on the market or through a range of different delivery mechanisms.

**The Hon. WES FANG:** Mr Lean, when did Mandala make it onto the prequalification scheme?

**ANTHONY LEAN:** I'll have to take that on notice. We don't administer the scheme. It's a government-wide scheme.

**The Hon. WES FANG:** I'm just curious. Could you find that out for me, please? Do you know when Mandala Partners was established as a company?

**ANTHONY LEAN:** No, I don't, but I'll take it on notice.

**The Hon. WES FANG:** Do you think the Government knows?

**The CHAIR:** Why not?

**The Hon. WES FANG:** You'll take it on notice. That's fabulous, thank you. We'll ignore the Chair for the moment. Under what criteria were they fast-tracked onto the prequalification list? Are you aware of that?

**ANTHONY LEAN:** I'll take that on notice. I'm not. I don't know that they were fast-tracked onto the pre-qual scheme. I'll have to take it on notice.

**The Hon. WES FANG:** I think they might have been, but we'll certainly have a look. Ms McCaughey, in relation to the transmission projects that EnergyCo is in control of, have they secured all their transformer equipment or placed orders for that transformer equipment?

**HANNAH McCAUGHEY:** We're responsible for five renewable energy zones and two priority transmission projects. They're all in various stages of development, so I think it would really depend on where you are. The most advanced project at the moment is Central-West Orana, and we are currently in the sensitive commercial stages of working through that with ACERZ. So that's a commercially sensitive—

**The Hon. WES FANG:** I asked the question at the last estimates and there was no clarity as to what equipment had been ordered. My understanding is you're having trouble securing transformers for those projects.

**HANNAH McCAUGHEY:** As I said, the Central-West Orana is still in a state of commercial negotiations. We're still negotiating those with ACERZ. There are sensitive negotiations, and I'm not—

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**The Hon. WES FANG:** I'll come back to you about the timelines of delivery for those things, such as transformers, which haven't been secured yet.

**The CHAIR:** Just to finish off, I have one more question. It's quite a specific question. I've got a feeling Mr Beaman may know the answer, or Mr Chappell; I'm not sure. In relation to capping and containing hazardous materials as a method of remediation, could you please advise what materials should be used to cap an area that contains heavy metals, PFAS, asbestos and hydrocarbons? I know it's very specific.

**TONY CHAPPEL:** Mr Beaman is probably best placed. While he comes up, Chair, I do have an answer to an earlier question you asked about Forestry Corporation and the biomaterial reports. The EPA received notification on 4 February 2025 advising the reports have been updated and published on the Forestry Corporation's website. The EPA was not aware of any advice from Forestry Corp before the publication of the amended reports.

**The CHAIR:** Thank you.

**STEPHEN BEAMAN:** Have you got a site in mind?

**The CHAIR:** I do. There is a site in the Hornsby area. I think it's all still in the planning stage. If you were to have a contaminated site that required capping, what would be required? Is there somewhere we can look for best practice?

**STEPHEN BEAMAN:** Yes. The first place to go to is the EPA solid waste landfill guidelines. They're on our website. That sets performance standards for the type of material that you would use. The reason I ask did you have a site in mind is it depends on the type of material. So it does really depend. We have rules around permeability—how much water can infiltrate; and the idea is to keep as much water out of those sites. Also, if it's got gas in it, then you want to have a drainage layer. So there's a whole sort of design structure in the landfill guidelines about how to and what type of material should be used on this performance.

**The CHAIR:** Just to follow up, does it matter what the next land use would be for the site? Is that a factor?

**STEPHEN BEAMAN:** Yes, and also proximity to—what's the hazard around. How close is it to adjoining properties? Are they residential properties? All those factors come into play.

**The CHAIR:** We now have recess for 15 minutes. We'll be back at 3.45 p.m.

**(Short adjournment)**

**The CHAIR:** Thank you, and welcome back.

**The Hon. WES FANG:** I'm just going to return back to the other issue that I was talking about, which was the provision of equipment for the transmission projects that EnergyCo are involved in. One of those is obviously, as you said, Central-West Orana, which is, you would say, the priority. Is that correct?

**HANNAH McCAUGHEY:** I would say that all of our projects are priority. I just think Central-West Orana is our most progressed REZ. So, yes, they're all important.

**The Hon. WES FANG:** Have you spoken to equipment manufacturers in relation to the equipment that's required for delivering the project? Those negotiations are underway, I think you indicated?

**HANNAH McCAUGHEY:** Yes, they are underway. I think it would just be important to clarify that the way that the model works is that we work with network operators to procure that equipment. So we don't do all of the network, the supply chain, ourselves. But we do talk to lots of industry, yes.

**The Hon. WES FANG:** In relation to a deliverable, like transformers, that you need to order, and there's a lead time, is my understanding—have the manufacturers provided you some insight as to what that time frame is likely to be?

**HANNAH McCAUGHEY:** We do acknowledge that transformers, which is an issue that you seem interested in—there are lead times associated with those. We keep a close eye on those. We do feel overall that we have factored those in to time frames. And we have with the Waratah Super Battery, which is going to be operational this year—we did manage to secure transformers. And they were Australian, so that's an indication that we are looking at these and we are across it.

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**The Hon. NATALIE WARD:** Relating back again to asbestos, in relation to the zero tolerance—the chief scientist, in his report we talked about earlier, has recommended that the Government considers bringing it into the zero tolerance approach, his long-held approach to asbestos in waste. Is this the right approach?

**TONY CHAPPEL:** Is the chief scientist's recommendation—

**The Hon. NATALIE WARD:** Bringing it into zero tolerance—is that something that you support, and something that you consider to be the right approach?

**TONY CHAPPEL:** I think it's important to understand that for any contaminant, absolute zero is a very challenging concept, because there's a limit to detection with any material, and that includes for asbestos. I think the real value in the chief scientist's very rigorous and contemporary work is the identification that bonded asbestos, in almost any context, presents an extremely low risk—that there is a level of background exposure that we all are exposed to in daily life. In this building, for example, I know there's been significant remediation. There's still been very significant asbestos out there in Martin Place.

**The Hon. NATALIE WARD:** I think there's lots of contamination in this building. We can all agree on that, but certainly—

**TONY CHAPPEL:** Indeed.

**The Hon. NATALIE WARD:** But is it a zero tolerance approach in this building, as well?

**TONY CHAPPEL:** I mean, asbestos is one of these wicked challenges where we know that it was absolutely prolific. We've got almost half of our housing stock, certainly at least a third of it, still contains large quantities of asbestos. We need to be able to manage that, and manage that effectively, and deal with that risk over decades to come. And I think the value of the chief scientist's work is what he's identified as the need for what I think in the health context they refer to as a sort of "Swiss cheese approach" to managing risk. You actually lower risk by taking a series of interventions through the supply chain to a greater extent than you do by seeking to regulate at the end of that supply chain to an absolute number of any kind. I think that's definitely worthy of serious consideration. I know it's getting the attention it should across government, as Government considers that report.

**The Hon. NATALIE WARD:** It's a very diplomatic answer, and it's understandable, but do you agree or disagree with zero tolerance as an approach, then, given that there might be other opportunities? Are we to understand that's the preference, if I can put it that way?

**TONY CHAPPEL:** As I hope I've indicated, there are very few contaminants where absolute zero is a policy goal. As Mr Ruddick sort of elucidated in the context of greenhouse gases, the vast majority of toxic materials are quite safe in particular levels. I mean, you can go through the periodic table, and most of those are not safe above certain thresholds. But the point that I think the chief scientist makes very, very effectively is that you can more effectively manage the risk to a lower level through this series of measures, through the supply chain, than an absolute zero at the end of that supply chain approach can deliver. And we've seen that, you know, we see that across the economy. So I think it's a very useful contribution to the better management of a challenging legacy contaminant.

**The Hon. NATALIE WARD:** Is that something you think you might be heading towards?

**TONY CHAPPEL:** Ultimately, Government has to consider that report. And that's underway.

**The Hon. NATALIE WARD:** And what's the timeline for that consideration and response?

**TONY CHAPPEL:** I think I'd best take some advice on that, or I'll take it on notice.

**The Hon. NATALIE WARD:** Can I just go back to energy from waste? How long until you will finalise the energy from waste infrastructure plan?

**TONY CHAPPEL:** The Minister talked about a waste and recycling infrastructure plan. It's not an energy from waste infrastructure plan, but it deals to all of the different material flows that need to be managed to create a safe, circular economy and address the critical shortages in landfill capacity. We're taking a chapter-based approach to that work. The first two chapters are food and garden organics, and residuals. It's the residuals component, which is essentially unrecyclable material—or material that might technically be recyclable, but it's not practically feasible in our Australian context—which I think is where energy from waste potentially has a role to play alongside other channels. And that chapter is the subject of extensive engagement, currently with both local government and industry stakeholders, so I'm confident that chapter will be finalised fairly soon.



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**The Hon. NATALIE WARD:** When you say "fairly soon", is that something you envisage in terms of specifically that waste infrastructure plan, energy from waste infrastructure plan—what's the thinking on the timeline for that? What else is needed in the interim?

**TONY CHAPPEL:** One component of the infrastructure plan is the energy from waste policy settings, which are currently the subject of a public consultation. That launched fairly recently. I think that's open for a period of time, and it will then need to be considered, and that will feed into that plan. So I'd expect over the next six months or so you'd see that come to fruition. But I think prior to that, we'll be able to have some fairly public draft documents that can help inform planning and our engagement with our colleagues in the government side of the planning process, but also for industry and local government to use as valuable inputs into their own plans.

**The Hon. NATALIE WARD:** The Biodiversity Conservation Trust—is the BCT happy with the amount of field officers that you presently have?

**ERIN GIULIANI:** Do you mean our regional delivery staff?

**The Hon. NATALIE WARD:** You say tomato, I say tomato. If that's the same thing as the field officers, certainly.

**ERIN GIULIANI:** Sure. We have a range of regional delivery and technical staff that support our landholders to deliver conservation outcomes on their land, and that's part of our statutory objectives. I'm very proud of the work that they do every day. And I would say, yes, I am very happy with the work that the regional delivery and our technical staff do out there to support landholders.

**The Hon. NATALIE WARD:** And the work is great, but I think I was heading more towards are there enough of them? Are you happy with the amount of those field officers?

**ERIN GIULIANI:** For our current levels of work that we undertake, yes, I think we have a sufficient allocation of resourcing. But as our landholder support work grows, then there will be a need to consider how we also grow that level of resourcing. I think that's reflected in our business model, but also in the fact that we have increased our resourcing over the last couple of years, particularly to reflect the rapid growth in demand for private land conservation.

**The Hon. NATALIE WARD:** That's kind of what I'm getting at, when you say that trajectories are something that are increased in those field offices or in other areas or both. What's your plan for future growth?

**ERIN GIULIANI:** We have definitely increased our regional staff as a result of increasing demand in our program. It is something that the board and BCT management are actively looking at.

**The Hon. NATALIE WARD:** When you say "actively looking at", what does that mean in terms of steps?

**ERIN GIULIANI:** We're always looking at how we can deliver the work that we need to do in a more efficient manner. Government often has to take a risk-based approach to ensuring that we can deliver the requisite amount of support for our landholders. But it also means looking at, as the BCT private land conservation estate grows, how that will be resourced into the future. That's something under consideration by the BCT at the moment.

**The Hon. NATALIE WARD:** I might come back to that on specific steps. In relation to the offsets scheme, does the BCT feel confident that the offsets scheme is in a strong position following those legislative reforms last year?

**ERIN GIULIANI:** I might ask that the secretary, Mr Lean, take that question.

**ANTHONY LEAN:** I'll hand to Louisa.

**LOUISA MAMOONEY:** The legislation was passed by Parliament on 22 November. We're now working on the regulations and other supporting implementation and materials for the commencement. It addresses many of the issues that are outlined in the NSW Plan for Nature, which is really great. Obviously, there's more work to do there. We are getting more and more interest in participating in the scheme, both from a development perspective and also from landholders as well. We now have 104,000 hectares protected in perpetuity under the scheme. It's really great to work with landholders and deliver those outcomes.

**The Hon. NATALIE WARD:** Do you feel that it is in a strong position now or does it need some more work? That's not a trick question. Does it have some way to go?

**LOUISA MAMOONEY:** There's a way to go in the implementation of those reforms.

**The Hon. NATALIE WARD:** What are those steps? What is required?

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**LOUISA MAMOONEY:** We're working on the regulation at the moment. There'll be consultation on that regulation in the first—

**The Hon. NATALIE WARD:** When will that open?

**LOUISA MAMOONEY:** Probably in the first part of this year. We'll do a consultation paper first. We'll also be putting the draft regulation on public exhibition, along with the regulatory impact statement. As the Minister indicated earlier, we expect to do that regulation about halfway through the year.

**The Hon. NATALIE WARD:** So, what, 30 June? We can expect something around then?

**LOUISA MAMOONEY:** Around then, yes.

**The Hon. NATALIE WARD:** Add that to the scale. Are there any concerns on the horizon for the BCT?

**ERIN GIULIANI:** Any general concerns for the BCT? Is there something specific you'd like to ask? Government agencies manage their risk every day and look at what the challenges might be in the delivery of their programs. There's nothing specific that I'm concerned about. As the chief executive officer of the Biodiversity Conservation Trust, I am confident in the risk management and delivery oversight that we have through the Biodiversity Conservation Trust Board. Of course, there are different risks that we have in our risk register that we're tracking as an organisation. I'm not quite sure how I should approach the question of whether I'm concerned about anything. There's lots of things.

**The Hon. NATALIE WARD:** In terms of what those concerns might be on the horizon, how would you prioritise those? What is it that you think might be of first concern?

**ERIN GIULIANI:** I'm not quite sure what question you're asking. It's a very general question. Is it a concern about—

**The Hon. NATALIE WARD:** Some might say a full toss to leg stump, but what would I know? What are the priorities on the agenda for you in terms of the challenges that you face in the organisation?

**ERIN GIULIANI:** The Biodiversity Conservation Trust is currently coming to the very end of its four-year business plan. I'm very pleased to say that we have—

**The Hon. NATALIE WARD:** That's kind of my thinking.

**ERIN GIULIANI:** —exceeded our targets for securing an additional 200,000 hectares of private land conservation estate. We've secured around 250,000 since 2021. We have a new business plan that is currently in development, and that will set out our strategy for the next four years. That's something that the Biodiversity Conservation Trust Board considers and will consider very soon. And then, ultimately, the Minister brings that into force. We'll be publishing that this year sometime. That will set out what our future strategy is for the next four years. In the current legislative arrangements, we have four key objectives, and they remain our statutory mandate.

**The Hon. NATALIE WARD:** Is that anticipated in the first half or second half of this year?

**ERIN GIULIANI:** It would need to be published by the middle of the year, because the current business plan comes to an end in mid 2025. That would be our aim.

**The Hon. NATALIE WARD:** That's on track?

**ERIN GIULIANI:** Yes.

**The Hon. NATALIE WARD:** Setting aside the Great Koala National Park, are there any plans to expand the national parks estate?

**NAOMI STEPHENS:** National Parks has a long-term goal of adding ecosystems and landscapes to its reserve system where we have low levels of reservation. The Government makes a provision for us for funding to be able to acquire land. Our focus is on ensuring that we're adding to the reserve system, bringing in both environmental but also cultural heritage values. It's fair to say that, over time, there is a plan to add to the estate.

**The Hon. NATALIE WARD:** Is that plan ongoing or is that something that you have a prioritisation for?

**NAOMI STEPHENS:** Currently, we're working on an establishment plan. It was a Government election—it's something that we're doing. We're looking at it being an integrated plan across all the work that DCCEEW does in terms of conservation. Obviously, the focus for national parks is conserving land, but we're also very cognisant of the other programs that are going on in government in terms of conserving values. We also

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have a prioritisation process, and that prioritisation process is used every time there's any suggestion that there might be an addition to the estate, in order for us to ensure that the investment of the public's money in acquiring land and adding it to the reserve system is the right decision and gives the best possible outcome.

**The Hon. NATALIE WARD:** How has the National Parks and Wildlife Service performed with its hazard reduction burns in the past 12 months?

**NAOMI STEPHENS:** The National Parks and Wildlife Service, as you probably know, is one of four fire authorities. It's very active in terms of its fire management. It works really closely with the Rural Fire Service. On average, we do 75 per cent of all hazard reduction burning in the State every year.

**The Hon. NATALIE WARD:** How is it on track for the past 12 months?

**NAOMI STEPHENS:** In 2023-24 we did 72 per cent of the hazard reduction burning across New South Wales. The whole State has been impacted by the conditions—it has been very wet—but we 100 per cent are prioritised. We had quite a few burns on the weekend right across the Blue Mountains, the Greater Sydney branch and other parts of the State. As soon as the conditions are conducive and appropriate, we're out there burning. We ensure that we have the planning in place so that we can meet all of our targets if the conditions are right. We'll be taking every opportunity for the rest of the current financial year to undertake burns. We have the planning in place to do that.

**The Hon. NATALIE WARD:** The Great Walks strategy, is that your purview as well?

**NAOMI STEPHENS:** Yes.

**The Hon. NATALIE WARD:** Is that Great Walks strategy on track to be delivered in full?

**NAOMI STEPHENS:** Yes, it is. The Great Walks strategy is going very well. We have numbers of—

**The Hon. NATALIE WARD:** Have you got any updates on the Dorrigo Escarpment Great Walk? I'm sorry to hurry you along; I have one minute.

**NAOMI STEPHENS:** That's okay. It's progressing well and is on schedule to be opened in 2025—not the visitor centre but the walk.

**The Hon. NATALIE WARD:** Terrific. We've got a date. Could I just go to biodiversity. Is the Saving our Species program funded appropriately, Mr Lean?

**ANTHONY LEAN:** It's funded until the end of the 2025-26 financial year. We would, of course, need to seek funding through the budget process for that to be extended. Funding was reduced for the program in, I think, 2021-22. That reduced the number of species that were able to be directly targeted quite significantly. We'll certainly be making a case through the budget process to extend the funding but also to increase the funding as well so that we can target more species.

**The Hon. NATALIE WARD:** Marine parks is the last one on that. Perhaps to you, surely the science suggests that the creation of marine parks is a good conservation outcome. I'm just wondering why the Minister has ruled out the creation of any marine parks in this term.

**ANTHONY LEAN:** I think that's a question you need to direct to the Minister. It's a question of government policy. The other thing that I would add is that Minister Moriarty is the lead and has responsibility for MEMA, but obviously there are joint administration aspects of the scheme. But that's really a question around government policy.

**The Hon. NATALIE WARD:** Is it something you've asked of your counterpart or of her or her office?

**ANTHONY LEAN:** I'm not going to get into what I said to who and when. It's a question of government policy. You asked the Minister. I have nothing further to add to that.

**The Hon. NATALIE WARD:** Can I just briefly go back to chemical regulation. With the EPA and the use of chemical control orders under the POEO Act, it appears that many emerging contaminants are not covered by chemical control orders. Has the EPA identified any new hazardous chemicals that require regulatory action? I can see Mr Beaman is coming.

**TONY CHAPPEL:** Yes, Mr Beaman. I will definitely ask him to contribute. Perhaps if I can just talk briefly to the biosolids context where we've obviously been considering the risk of the presence of PFAS in some of those products, but also we've identified probably seven or eight other chemicals of concern that are persistent, including triclosan, galaxolide and a number of others. They've been the subject of risk assessments, and we've also been collaborating with our colleagues in the Victorian EPA on these issues as well as with the Commonwealth to progress solutions to manage those products. Steve, what would you like to add?

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**STEPHEN BEAMAN:** The great thing that has happened is we've now got a national scheme that's much more robust. It's called IChEMS, the industrial chemical scheme, and all of those things will take effect from 1 July this year, the topical one for the moment being PFAS: You can't use, manufacture, import and export PFAS from 1 July. That gets picked up under the Protection of the Environment Operations Act. We have a section now in the legislation that allows us to pick those scheduled chemicals up. It also gives us some really interesting powers in that legislation.

I'm really glad you asked the question because this is a great piece of work we've done. We've actually worked with a New Zealand organisation to develop something we call HazEL, which is a hazard evaluation tool, and that looks at ranking. You can set it for various contexts, but it actually ranks the persistent bioaccumulative or toxic nature of chemicals so you can then have a discussion about where we should be putting our regulatory effort. When we designed this, AI didn't exist. AI now exists. You can then use that to scrape the literature. We know things like lead and benzene are a problem, but we're after the scientific community where they're looking at those chemicals where there's contention, where there's debate, where you can see the emerging trends, and we can get onto those ones much earlier. That has picked up things where we've done a worldwide search—triclosan, galaxolide, brominated flame retardants. We're trying to look much more over the horizon.

**TONY CHAPPEL:** I will just add one other point. I think one of the Committee members asked previously about the Plastics Action Plan. In there, the Committee will see a recommended approach to chemistry of plastics to have a green list and a red list, and this is really flipping the onus from the historical approach to chemicals that they are all innocent until proven guilty and we now have tens of thousands of chemicals that aren't widely studied, and so we need to, as Mr Beaman outlined, triage on a risk approach for which ones to be most concerned about in terms of risk to the community. But where we want to get to is being able to be very clear with industry that this is the chemistry that's demonstrably safe and we encourage you to use it, and regulation will make that simple and easy, and this chemistry is prohibited over here and if you want to deviate from that, then you need to make the case or demonstrate the efficacy. But I think that is a quantum shift in how chemistry is considered in the plastics space.

**The CHAIR:** IChEMS doesn't apply to the ag sector or to the use of chems in agricultural settings, so is there a way that we will kind of potentially harmonise the scheme through other mechanisms? I suppose that's why we raise the use of chemical control orders. Will there be a way of harmonising the regulation through different schemes or tools?

**STEPHEN BEAMAN:** It's often around the context that those chemicals get used in, be it an agricultural setting or an industrial one. Both use, at a higher level, pretty standardised risk assessment frameworks. But if you go down the pesticides route, that goes through the APVMA and then we have pesticide control order powers in our legislation.

**The CHAIR:** That's right, so I think therein lays an issue. The CEO spoke about the APVMA, perhaps some reform in there and hopefully some better outcomes, but I think we've been waiting for a very, very long time. Is there something we can do to pick up the time lag or the slack that may persist with the APVMA system and the use of chems in agricultural settings?

**STEPHEN BEAMAN:** Yes, I think there is to the extent where we're often going back to the APVMA trying to put pressure on them to finalise their assessment work. The first-in-generation anticoagulant rodenticides is a good example. There are provisions in the legislation where we can step beyond the APVMA, but then that only gets you so far because then there are national labelling requirements. As you know, the pesticides world works on the standard provisions of labelling; whereas for the industrial chemicals world, we can use chemical control orders. Both sets of legislation have a power of control orders across them. It's just how we implement them through both those national frameworks.

**The CHAIR:** One of the chemicals, DNOC, is one of the ones that I understand was reported in the Macquarie Valley and this consistent or persistent use, and it has never been registered for use in Australia. There's this correlation between incidents when cotton defoliation occurs. Is this something that's on your radar and what advice are you giving to communities that are living amongst the cotton defoliation and the correlation between DNOC being found in the air and this event?

**STEPHEN BEAMAN:** There were detections. My understanding was they were at fairly low concentrations. We think the DNOC compound was actually a contaminant that was probably in the production and in the manufacturing process. It wasn't in there at a concentration strong enough as an active ingredient, so we think it's some type of cross-contamination. But we're working through that line of investigation really to work out where that came from.

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**The CHAIR:** When you say "we're working through that", what are we doing? What are we doing to actually try and further explore what might have happened or how it might have been there?

**STEPHEN BEAMAN:** That's the research part of our sort of—I'm using the word "investigation" here with a small i. Where else in the literature have people picked up DNOC as a co-contaminant and what have been the circumstances so we can work our way back up the supply chain?

**TONY CHAPPEL:** We've also done a global chemical scan, essentially looking at other jurisdictions, chemicals of concern, emerging science supported by this HazEL tool. For the first time, I think we can be engaging with the community around the risk that we see. As I mentioned earlier in the session, Chair, we've been engaging with a number of participants in the sector as we think about the risks, and we're looking forward to now engaging more broadly with the community for their input as well and that outcomes hierarchy that we are looking to operationalise this year.

**The CHAIR:** I just want to go back, if I can, to the BCT and some of the figures. I think you made reference to 104,000 hectares.

**LOUISA MAMOUNEY:** Yes. That's right.

**The CHAIR:** But I'm also hearing—so I'm just curious as to what is protected now through biodiversity agreements and what the breakdown of those are. I have looked at the annual report, and even that—I've seen a slight inconsistency in the numbers. There's 200. It's just reported in particular ways, which are good but not necessarily consistent.

**LOUISA MAMOUNEY:** The amount that I referred to—104,000 hectares—is of biodiversity stewardship agreements, including biobanking agreements. So we are going back to 2010, but there are a range of other agreements that the BCT is also responsible for. So I'll pass over to Dr Giuliani to cover those.

**The CHAIR:** How many have we got in just agreements, conservation agreements that are not stewardship or biobank?

**ERIN GIULIANI:** The overall figure for agreements that are currently being managed by the BCT is 2.1 million hectares of private land conservation agreements. However, of that, just over 550,000 hectares are protected in perpetuity. So the figures that Dr Mamouney referred to are within that overall 550,000-plus hectares. And there's a range of different types of agreements that span both legacy programs that were prior to the Biodiversity Conservation Trust being established and the work that the Biodiversity Conservation Trust and the department have done to establish new protected areas.

**The CHAIR:** What is the make-up of—we've got 104,000 hectares which are stewardship agreements or biobank agreements. Then we've got 550,000 hectares that are in-perpetuity conservation agreements. But where does the 2.1 million hectares—what's that overarching figure?

**ERIN GIULIANI:** So 2.1 million hectares spans a range of different agreement types. It includes biodiversity offset agreements.

**The CHAIR:** That's the 104?

**ERIN GIULIANI:** Correct. It also includes conservation agreements, both pre-Biodiversity Conservation Trust and post-Biodiversity Conservation Trust.

**The CHAIR:** That is 550?

**ERIN GIULIANI:** No. What I was referring to is, of that 2.1 million hectare estate of a variety of different agreements, 550,000—and I think it's actually 564,000—are actually protected forever. So I was just making a distinction that the—

**The CHAIR:** Thank you. With the other ones that aren't protected forever or in perpetuity, what do they look like?

**ERIN GIULIANI:** There's a couple of different categories. Some of them are wildlife refuges that were established prior to the Biodiversity Conservation Trust.

**The CHAIR:** What figure do you have on that?

**ERIN GIULIANI:** It's 1.465 million hectares. And just to provide some information about that type of agreement—they're actually revokable. So the landholder can request that they be revoked. There's a range of different types of agreement. I'm happy to go through them, or I'm happy to provide them on notice. But I do have the information here, Chair.

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**The CHAIR:** If you're happy to, provide them on notice. It makes sense now. I just wasn't sure where the big figure was. Obviously, if it's 1.4 million in wildlife refuges, that makes perfect sense.

**ERIN GIULIANI:** That are able to be revoked.

**The CHAIR:** They're just the ones that—people do lovely things and put up signs. I've got one on my place.

**ERIN GIULIANI:** Fabulous.

**The CHAIR:** But, obviously, mine's protected forever or something. But I understand. They're brilliant, but they're not long-term guaranteed protection. I understand.

**ERIN GIULIANI:** They don't contribute to the National Reserve System, as they're not in perpetuity.

**The CHAIR:** Just for clarity with the wildlife refuges, does funding go—does the BCT ever offer any funding for those?

**ERIN GIULIANI:** The Biodiversity Conservation Trust does offer grant funding. Landholders who do not have an agreement that has an annual source of funding—i.e., that is invested in the trust—may access grants. There's a range of different grants. But, roughly speaking, landholders can access grants up to \$15,000 per year for three years, and they're able to access those grants after a three-year period as well, so you can come to the end of a three-year term on your grant and you can apply for a new one. So, yes, wildlife refuge holders are able to access grants.

**The CHAIR:** Excellent. With the 564,000 hectares of in-perpetuity agreements, how many of those have funding arrangements attached to them? And how long are those funding arrangements normally?

**ERIN GIULIANI:** I can come back on notice. But, through our conservation management program, 151,000 hectares are funded. And that's through the work that the BCT has done since 2017. The Biodiversity Offsets Scheme has the funding that comes through the purchase of credits, through developer demand. But I can come back to you on notice in terms of how many of those specifically are funded across those two schemes.

**The CHAIR:** Thank you. It might be premature, but in terms of the next four years, do you think that the BCT will be setting another kind of hectare target?

**ERIN GIULIANI:** Yes.

**The CHAIR:** And could you tell the Committee what you're thinking that might look like?

**ERIN GIULIANI:** I wouldn't like to advise that target today, because it is subject to both the board's deliberations and the Minister's deliberations. But we have used historic and future-focused modelling to determine what an appropriate target might be. And we've also looked at what the appropriate balance could be across different types of agreements, and we're using our demand forecasting. And it's positive news to say that there's plenty of demand out there for landholders who wish to enter into an agreement with the Biodiversity Conservation Trust or through the department for a stewardship agreement.

**The CHAIR:** Fantastic. And are you able to indicate at the moment—are there concentrations of interest in particular regions?

**ERIN GIULIANI:** I'd have to take that on notice. But what I could say generally is, through our conservation management program, which is the funding that you referred to earlier, Chair, that work is typically focused around the Biodiversity Conservation Investment Strategy, which looks at where the best of the last vegetation is and where we should apply our efforts to protect that native vegetation. Our Conservation Partners Program, which is a statewide program but tends to be typically taken up along the coast—there's also a great deal of demand for that program in particular. So I'm happy to give you some data on notice about where the highest demand is. But I would say that there's plenty of demand for voluntary conservation programs, whether that's through the sheep wheat belt in the middle of New South Wales or whether that's coastal regions as well.

**The CHAIR:** Great. Mr Chappel, just coming back to forestry and forestry reg, I'm just curious. Some members of the community around the Nambucca area, in relation to Little Newry and logging operations there and legacy mining—there was an arsenic issue. And, apparently, the community contacted the EPA about it, said they were very, very concerned about the disturbance and the impact that disturbance would have, in terms of increased arsenic contamination of the water sources. I think the EPA suggested a 30-metre buffer of some sort, but now there are reports of elevated levels of arsenic in the water. Are you aware of this?

**TONY CHAPPEL:** I'm not. If there are any concerns from the community, they should be reported to the EPA, and we will sample or investigate. I know that our regulatory operations staff have visited that forest,

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have conducted, I think, a joint visit also with Forestry Corp. They've looked at the exclusion zones around that legacy activity and determined that disturbance was unlikely, with some controls, but I'm not aware of any more recent information, so I'll take that on notice.

**The CHAIR:** I can indicate now that there is some concern about—and I think it's an issue that locals had quite a bit of local knowledge about, have written to the EPA a number of times about it, and I think, now the logging operations have taken place, there's real concern that there has been disturbance and now more pollution incidents. That's something you'll have a look at?

**TONY CHAPPEL:** Yes, absolutely. I know that those local reports informed a whole series of actions that the EPA took. But, as I said, I'm not aware of any recent reports of pollution in the water or other impacts, so we will take that on notice.

**The CHAIR:** I just wanted to raise, I think, maybe with you, Mr Lean, about Hearn's Lake. Are you aware of Hearn's Lake just north of Coffs Harbour, Woolgoolga area?

**ANTHONY LEAN:** No, I'm not, off the top of my head.

**The CHAIR:** Is there anyone with any knowledge about Hearn's Lake? It's one of our State's few incredibly important ICOLLs. It's an ICOLL that has been subjected to some pretty bad environmental outcomes in terms of its pollution and contamination. I'm just curious as to why, if it is on the department's radar as an area that really should be included in the Coffs Coast Regional Park—it's an area of immense environmental importance and significance. It's an area where Coffs council has undertaken lots of scientific research and water monitoring. It's also fundamental to the function of the Solitary Islands Marine Park. I'm just curious as to whether it is an area that might be on an acquisition register somewhere and, if not, why not. Is that something you could take on notice?

**ANTHONY LEAN:** We can take that on notice. Certainly, Chair.

**The Hon. WES FANG:** Mr Lean, do you know if any councillors from Coffs Harbour have contacted the Minister or yourself, looking to have themselves appointed to the Coffs Coast Regional Park Trust Board or any other boards?

**ANTHONY LEAN:** I might ask Ms Stephens to see if she has any specific information.

**NAOMI STEPHENS:** I'm aware that there is a process where we're appointing new councillors to that board, but I'm not aware of any approaches from anyone to the Minister's office about that.

**The Hon. WES FANG:** In that circumstance, how does the appointment occur? Is it at the discretion of the Minister only, or is there an assessment process?

**NAOMI STEPHENS:** There is an assessment process. If they're councillors, they're normally nominated by the council. Usually we ask them to give us a number of nominees. We would brief the Minister and the Minister would make the decision.

**ANTHONY LEAN:** We would often also convene an assessment panel comprising departmental staff that would assess and then make a recommendation to the Minister as well.

**The Hon. WES FANG:** But, ultimately, the Minister can appoint whoever she likes from those nominated people—or can they choose a councillor that's not even part of the group that's nominated by council themselves?

**ANTHONY LEAN:** It would depend on the specific terms of the legislation, and the Minister also would need to comply with the boards and committees guidelines as well.

**The Hon. WES FANG:** But it would be highly unusual if that was to occur, correct?

**ANTHONY LEAN:** There are mechanisms for direct appointment in the boards and committees guidelines, so I wouldn't necessarily say it's highly unusual.

**The Hon. WES FANG:** Mr Lean, if one of your employees from the department was to leak details of another secretary visiting a departmental office to a group of activists who, when that secretary was leaving the office, found herself being stalked by those activists—the secretary and other New South Wales government employees were followed from their office to the car and harassed—would that person face disciplinary action?

**ANTHONY LEAN:** I'm not going to comment on hypotheticals. If you could give me some specific instances.

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**CORRECTED**

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**The Hon. WES FANG:** Let's assume it's not a hypothetical. Let's just say planning secretary Kiersten Fishburn was visiting one of the departmental offices across the State and her visit was leaked by one of your employees. Would that lead to having disciplinary action taken against that employee?

**ANTHONY LEAN:** We would need to assess it to decide whether a preliminary investigation was warranted. If there was a potential disciplinary issue, we would initiate a disciplinary investigation.

**The Hon. WES FANG:** Are you aware of any circumstances such as that?

**ANTHONY LEAN:** Not off the top of my head that come to mind.

**The Hon. WES FANG:** You haven't been briefed by your department? Nobody from the planning secretary's office has contacted you?

**ANTHONY LEAN:** The planning secretary hasn't raised it with me, no.

**The Hon. WES FANG:** No, but nobody from that office has raised it with anyone in your department that you're aware of?

**ANTHONY LEAN:** I'm not specifically aware. I would need to check with my HR department and my ethics or governance team to see whether that is a specific issue.

**The Hon. WES FANG:** I'm going to turn back to my second-favourite topic, which is the Central-West Orana REZ. I just want to better understand some of the deliverables that this project is locking in at this stage. It's fair to say that EnergyCo will deliver the transmission project, and then it'll hopefully hand it over to an operator. You've got a preferred operator. Is that correct?

**HANNAH McCAUGHEY:** It works a little bit differently than that. Let me take you through the process. Effectively, EnergyCo is an infrastructure planner. We don't actually build the transmission ourselves. We, as infrastructure planner, hold procurement processes to find the best possible network operator. In the case of Central-West Orana, that is currently ACEREZ, who we signed a commitment deed—

**The Hon. WES FANG:** And ACE stands for?

**HANNAH McCAUGHEY:** ACE stands for Acciona, Cobra and Endeavour. It wasn't able to—when they tried to put that as a name, it was already taken, so they've turned it into Acciona, Cobra and Endeavour REZ. So that's ACEREZ. That's the name.

**The Hon. WES FANG:** Understood. They're your preferred operator, correct?

**HANNAH McCAUGHEY:** Yes. We've signed a commitment deed with them and we are in current negotiations with them to build the Central-West Orana REZ.

**The Hon. WES FANG:** So, in layman's terms, you'd say a commitment deed is like an engagement.

**HANNAH McCAUGHEY:** Yes. Basically it's a legal obligation to work with that party while regulatory approvals and other things are ongoing and you're finalising the details of—

**The Hon. WES FANG:** All your prenups and which band is going to play and who's the caterer and are you going to have three racks of lamb or four at the main—all these things that you decide at a wedding. What happens if one of the partners leaves the other at the altar though?

**HANNAH McCAUGHEY:** At the moment the consortium is working together and we are working together in a very integrated way. Basically it's not the way they work. They have commitment deeds, but they're committed to work together.

**The Hon. WES FANG:** Are you sure that one of the partners isn't getting a little bit of cold feet thinking that maybe they like another REZ somewhere else, that they might have tied themselves to a REZ too early and they're too young and they've made a mistake in life?

**HANNAH McCAUGHEY:** No, I think—well, all of our REZs are wonderful projects. But I think, for all of the parties that are involved in the negotiation or part of the consortium for ACEREZ, they've put in a significant amount of resource and time, and there are significant commitments and early works are ongoing. All the indications are there is serious commitment.

**The Hon. WES FANG:** Serious commitment, but they haven't actually walked down the aisle yet.

**HANNAH McCAUGHEY:** No, because we have a commitment deed with them and the commitment deed doesn't last forever. That allows us to enter into a final project deed in the near future.



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**CORRECTED**

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**The Hon. WES FANG:** Whose responsibility is it to ensure that the procurement occurs for the transmission projects. That would fall to ACERZ. Is that correct?

**HANNAH McCAUGHEY:** Just going back, the procurement process for the actual building of the renewable energy zone—which is the transmission and the infrastructure that connects the generation—is run by EnergyCo. But, once that project is awarded, then ACERZ would subcontract the build of that infrastructure out to various contractors for all the various work packages involved.

**The Hon. WES FANG:** Coming back to my previous favourite topic, which is the issue of transformers, whose responsibility is it to ensure that you have those contracts like transformers in place?

**HANNAH McCAUGHEY:** That's ACERZ.

**The Hon. WES FANG:** How are they going with that procurement?

**HANNAH McCAUGHEY:** They're going very well. While it isn't—

**The Hon. WES FANG:** It sounded almost Trump like, "They're going very well. They're the best transformers they've ever had." It was very animated.

**HANNAH McCAUGHEY:** Thank you for your questions but we can confirm—

**The CHAIR:** I'm not sure if being compared to Trump is good, though.

**The Hon. WES FANG:** I wasn't comparing her to Trump. You understand, I think, what I'm saying.

**HANNAH McCAUGHEY:** I know you're very interested in transformers.

**The Hon. WES FANG:** I'm very interested because I don't believe that you're able to sign a contract yet for these transformers. I've heard that you're seeking a 40 per cent discount from the supplier—

**The Hon. MARK BUTTIGIEG:** Point of order—

**The Hon. WES FANG:** —and so far everyone has told you that you can't have them for that. You've got to pay market rate given that there is a delay.

**The CHAIR:** A point of order has been taken, Mr Fang. It's that time of day. We've made it so far with no points of order.

**The Hon. MARK BUTTIGIEG:** I did have to do something today and now's the time to do it. The public officer is trying to answer and is constantly being interrupted so Wes can make presumably amusing political points. If he just waits, I'm sure he'll get a thorough answer.

**The CHAIR:** I remind all members to please let these witnesses finish their answers uninterrupted.

**The Hon. WES FANG:** How is the procurement going?

**HANNAH McCAUGHEY:** Given this is a topic of detailed interest to you, we can actually confirm that for Central-West Orana, the transformers have been ordered. There isn't a problem. I can also confirm for you that for the Hunter Transmission Project, Transgrid has ordered the transformers. I'm very glad that you're very keenly aware of these because they're a key component. But we can feel very confident that these things have been ordered and they are on their way.

**The Hon. WES FANG:** In relation to the budget for the procurement of those transformers, did you exceed the budget that was originally planned for the procurement, or did you manage to purchase them within the scope that was originally foreshadowed?

**HANNAH McCAUGHEY:** If we go back to your favourite project, as you said, which is the Central-West Orana REZ, the way that that works is, as I mentioned, that EnergyCo is the infrastructure planner. We negotiate with ACERZ, but then ACERZ would take the agreement we'd negotiated and they'd submit it to the Australian Energy Regulator. They determine whether the contract and the costs under that are fair, efficient and prudent. That's the ultimate way that the cost for that project is set.

**The Hon. WES FANG:** But surely when they were signing on to the project, they would have been provided business cases that outlined the expected expenditure. Is it the case that, ultimately, the costs are just passed on to the consumer through the transmission costs that are usually passed on to consumers in energy bills and the like? So it doesn't really matter what they pay for it—is that right?

**HANNAH McCAUGHEY:** This the decision of the Australian Energy Regulator and we stay in close discussions with them. But they are held to a very strict regulatory standard to make sure the costs are reasonable

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**CORRECTED**

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and efficient and prudent. If they're not then they're borne by ACERZ. There is a lot of work that goes in to make sure that the consumers are only charged what is reasonable and fair and efficient.

**The Hon. WES FANG:** In that case, are you able to provide the supplier of those transformers for that project?

**HANNAH McCAUGHEY:** Not at this time. I will take that on notice, but I believe—I've already said these are not decisions that are public. Given your interest and wanting to show that we're making significant progress for these critical infrastructure projects, we're willing to share now that—

**The Hon. WES FANG:** Are you able to tell me when you expect the components to be landed in Australia for the transmission line itself?

**HANNAH McCAUGHEY:** I take it that this is of deep interest, but just maybe let's take one case study. The Waratah Super Battery, which is in the Hunter, actually procured its transformers from an Australian company. It's already partially in operation. In fact, this year it was able to partially operate and help the market. I know this is a really—

**The Hon. WES FANG:** It was a very deft way of not answering my question but, again, in relation to Central-West Orana, when will those transformers be landed so that they can be used for the transmission of renewable energy from Central-West Orana into the greater metropolitan areas?

**HANNAH McCAUGHEY:** Just to go through, we are in the final negotiations with ACERZ. They have a detailed schedule. They procure these issues. We have confidence that these long lead time issues are being—and so this is not an area of deep concern. In the range of the whole transmission, we are still on track.

**The Hon. WES FANG:** I appreciate there is no initial deep concern. What is a concern to me right now is that I have now asked twice when the land date will be and I have not been able to elicit from you anything that is even approaching an answer. Do you have a date for when they will be landed so that they can be rolled out for the transmission project? My understanding is that everything hinges on those transformers.

**HANNAH McCAUGHEY:** These are large infrastructure projects. They have many critical components.

**The Hon. WES FANG:** You indicated to me in an earlier answer that ACERZ has a program timeline that they are working to. Now that you have procured those transformers, you must certainly be aware of the timeline for when they will arrive. That is the question that I am asking. When are they expected to land in Australia so that they can be rolled out with the transmission project?

**HANNAH McCAUGHEY:** Just so we can move on and so we're clear, we do not procure them; ACERZ procures them. It is not public. I have shared with you that we understand they have procured them. They have the deep timeline. I will take it on notice as to whether we can share that level of detail here, because it is an ongoing negotiation at the moment. These are not public details.

**The Hon. WES FANG:** My last question on the transmission from Central-West Orana into the greater metropolitan area so you can get renewable energy from regional areas to the city is: Is there any delay in the projected timeline for the rollout of that transmission line?

**HANNAH McCAUGHEY:** At the moment, we are still within the EII Act timelines. We are still within the projected timeline of the Network Infrastructure Strategy, which was published, which is late 2028 for operations. We are still within the stated time frames. There is significant work going on.

**The Hon. WES FANG:** There is nothing on the horizon and no procurement issues potentially on the horizon that are going to stop a late-2028 operation of this transmission line from Central-West Orana?

**HANNAH McCAUGHEY:** These are very large infrastructure projects and they have many risk components. Many of those risk components sit with ACERZ. We are doing our best to manage all those risks. I am going to call on our chief project officer, Mark Westbrook. I will ask him to come up. But we are working on multiple areas and we are working on the timeline.

**MARK WESTBROOK:** What I would like to say is that we are on track for the start. We have commenced the early works for the main substation on schedule earlier this month. That is obviously a good start. They are complex projects in terms of the program, schedule and everything we have to do. Our program includes suitable contingencies for events. Of course, you can't rule out that there could be circumstances outside of people's control and there is some delay. At this stage, we are on track for late 2028 for first energy from the REZ. As Ms McCaughey said, that is what we have publicly stated.

**The Hon. WES FANG:** And nothing is going to get in your way that you can foreshadow?

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**CORRECTED**

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**MARK WESTBROOK:** As I just said, there are always risks.

**The Hon. WES FANG:** But there are no issues with procurement and there are no issues with planning on the horizon? There is nothing on the horizon that you can say, "This is a potential risk that might create a problem for us"?

**MARK WESTBROOK:** There are lots of risks, as I just said. But, as Ms McCaughey said, procurement of long-lead time items is well advanced. The design has progressed under the commitment deed phase as well. That is advancing well. At this stage, we are on track.

**The Hon. WES FANG:** I am looking forward to getting my answers to questions on notice so that I can see who is delivering them. Can I also ask when they will be landed? Can you take that on notice?

**MARK WESTBROOK:** We do need to be careful because a project like this has a lot of different transformers of different sizes. There are the main transformers, which are 500 kV transformers, but there are other transformers on the project. There is a whole range of equipment. It is actually a very difficult question to give you a comprehensive answer to.

**The Hon. WES FANG:** This is part of the reason why, when you were talking about the Waratah Super Battery transformers and the like, I was thinking the Australian procurement is one thing but the larger ones that need to come from overseas that have a long lead time are completely different. That is why I didn't know why you were going down that path in providing an answer, because I was focused on these ones that I know have been problematic for you.

**HANNAH McCAUGHEY:** The Waratah Super Battery is the largest battery project in the Southern Hemisphere, and potentially the world. We managed to procure the transformers for that in a very short time frame and have it operational this year in a way that supported the National Electricity Market and has supported local supply chains. I think that shows that we were actually able to manage the risks very effectively with the supply chain, and we've worked very well with our supplier and project developer. We've had over 170 people onsite, having jobs.

**The Hon. WES FANG:** I've got 50 seconds left. I do appreciate the very detailed answer, but I have one last question for Mr Lean on the cost of the Great Koala National Park. If it was to actually be 176,000 hectares, do you have an estimated cost of what it would be for the New South Wales Government?

**ANTHONY LEAN:** That's the very issue that's being worked through at the moment—

**The Hon. WES FANG:** Surely you must have a figure, though.

**ANTHONY LEAN:** —partly influenced by the work that Mandala is doing, but—

**The Hon. WES FANG:** But they have no conflict, so it's all right.

**ANTHONY LEAN:** —it's heavily dependent on what the final number is because that influences the compensation package.

**The Hon. WES FANG:** In the five seconds I've got left, how much of it is coming out of the Snowy Hydro Legacy Fund?

**ANTHONY LEAN:** I'll take that on notice. Sorry, I should say, I think the answer to that is none of it at the moment, but it's ultimately something that will need to be decided by Government through the budget process.

**Ms ABIGAIL BOYD:** Good afternoon to all of you. I've got a few things and I'm going to hop around, but I'll start with you, Mr Chappel. I'm interested in the Vales Point NOx exemption, which I understand they now don't need to have. As you know, it was 12 years of them having the benefit of that—

**TONY CHAPPEL:** No, it was two years. It's expired now. The clean air regulation required them to meet a more strict group of standards across multiple pollutants. They sought and received an exemption, which was for two years, which has now expired. They haven't applied to have any further exemptions. We understand they've been able to improve their performance as required through that exemption process to meet the clean air regulation.

**Ms ABIGAIL BOYD:** I've been following this for some time. There were two lots of five years before that two years, so I believe in total it's 12 years that they've had an exemption from the limits.

**TONY CHAPPEL:** My colleague Mr Beaman might have some more detail on that. Otherwise, we'll certainly take it on notice because—

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**CORRECTED**

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**Ms ABIGAIL BOYD:** I remember bringing it up with the EPA at least five years ago.

**TONY CHAPPEL:** There may have been an exemption under the previous clean air regulation.

**Ms ABIGAIL BOYD:** Yes.

**TONY CHAPPEL:** But I also would imagine that was to a less strict standard. The standard they have to meet today would be more strict than that, and they're meeting it without an exemption.

**Ms ABIGAIL BOYD:** They've had some form of exemption for 12 years—just take my word for it for now, but maybe you can confirm or correct me later. The idea that they can suddenly now comply—I guess I'm very confused. I'm a resident but also someone who has been following this for a long time. We've been trying to get Vales Point to reduce its NOx emissions, and now it suddenly can. What happened?

**TONY CHAPPEL:** One of the conditions in the exemption was to do a series of studies, peer reviewed, global sort of expert work on how to operate the plant in ways that would be able to comply. As I understand it, one of their challenges is, whilst most of the time they could comply, as they're ramping up and down more—which, of course, each year they're doing more of as we build out more solar across the State and other renewable resources, so the coal plant is operating in the market differently—those rapid changes from various levels of operation were leading to the exceedences. I understand they looked at a whole variety of different options to either ramp in a slower way with other resources deployed or to fine-tune how they were operating the plant. The performance now is able to meet the standards. I can take on notice the specifics of operationally what we understand the plant is doing differently now, but it is complying.

**Ms ABIGAIL BOYD:** Okay, because it was subject to a less strict standard before, as you say. I remember we had a bill in the last term of Parliament—the clean air bill—that was trying to increase these standards on the pollution amounts coming out of the stacks. During that, we had these companies come and tell us what they were doing. I remember very clearly Delta saying they couldn't comply and trying to claim that it would be like a half-billion-dollar impost in order for them to meet even those less strict standards. The community and environmental advocates are a little confuzzled, I guess, as to why they can suddenly meet the requirement that they were resisting for so long. If you could come back on notice with exactly how they managed to do that, that would be really useful.

**TONY CHAPPEL:** Yes.

**Ms ABIGAIL BOYD:** But it also appears that although the Bayswater and Mount Piper power stations need to meet group five limits in 2027 and stronger group six limits in 2030, Vales Point Power Station is already in group five and will never need to go up to group six. Is that correct?

**TONY CHAPPEL:** The clean air regulation is quite a complex regulation, and it operates, in terms of how it applies, based on the specific start date of particular equipment that constitutes the unit level generally in a power station. Perhaps Mr Beaman, if he's here, can give you a little bit more detail.

**STEPHEN BEAMAN:** Hi, Ms Boyd. How are you?

**Ms ABIGAIL BOYD:** Hello. Good, thank you.

**STEPHEN BEAMAN:** You are correct. There was an amendment done to the clean air regulations, I think, in 2022. We removed the grandfathering provisions that had been in that legislation for a long, long time. I think it is that everyone has got to meet group five by 2027 and then meet group six by 2030. If the plant's proposed shutdown date is 2029, then they won't need to move to group six because they won't be operating.<sup>4</sup>

**Ms ABIGAIL BOYD:** But they're talking about extending the life of the station now. If they extend past 2029, will they then have to meet group six?

**STEPHEN BEAMAN:** That's a bit of a hypothetical because I haven't got something in front of us to say that they're going to extend or not.

**Ms ABIGAIL BOYD:** What does the regulation require in those circumstances, then?

**STEPHEN BEAMAN:** In 2030 they've got to meet group six—or, as you know, there's a mechanism under the POEO Act to seek an exemption.

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<sup>4</sup> In [correspondence](#) to the committee received 27 March 2025, Mr Steve Beaman PSM, Executive Director, Regulatory Practice and Services, Environment Protection Authority provided a clarification to his evidence.

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**CORRECTED**

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**Ms ABIGAIL BOYD:** So at that point they will have to work out what they want to do in terms of either extending—if they are to extend, they would then have to meet the 2030—

**STEPHEN BEAMAN:** Yes, and that section of the legislation has pretty tight heads of consideration when considering the exemption around the practicality—being feasible, but also any impacts on human health, property and the environment.

**Ms ABIGAIL BOYD:** I think that's all I have on the power station and the clean air stuff. I've got just a couple for you, Ms McCaughey. There are a couple of different things here. The Transmission Acceleration Facility—I understand that EnergyCo is in charge of administering that. I'm finding it very hard to get much information on it. It was established in 2022. At some point an extra amount was put into it, and it was said that it was up to \$2 billion at that point.

**The Hon. WES FANG:** Use a wedding analogy!

**Ms ABIGAIL BOYD:** I'm not going to use a wedding analogy, but thank you. Where does it live, in terms of how do I find it in accounts? What is the amount of it at the moment, and how has it been spent?

**HANNAH McCAUGHEY:** The TAF is a very important part of EnergyCo being effective because it enables us to fund up-front early works and development. That's very important. As those costs are spent, it goes through a rigorous investment process. We have Treasury, who sits on the TAF alongside EnergyCo. Once the projects reach financial close, it is reimbursed for those costs. It's a revolving facility.

**Ms ABIGAIL BOYD:** So it sits at \$2 billion, and the idea is that it keeps—

**HANNAH McCAUGHEY:** Yes.

**Ms ABIGAIL BOYD:** In terms of where I would find it in the accounts, is it—

**HANNAH McCAUGHEY:** On that, I will ask my colleague. I'll take it on notice, but it is something that we work through. I'll take that on notice as to exactly where it sits.

**Ms ABIGAIL BOYD:** The Energy Security Corporation—

**ANTHONY LEAN:** That's probably either for me or Ms Curtain.

**Ms ABIGAIL BOYD:** We asked about this in the House and then, the day after, a media release came out saying that a CEO had been appointed to the ESC. Is that correct?

**ANTHONY LEAN:** An interim CEO has been appointed. His name is Mr Paul Peters. That's an interim appointment because Treasury is in the process of finalising the board appointment. They will then conduct the recruitment for the ongoing permanent CEO.

**Ms ABIGAIL BOYD:** The ESC legislation requires that, doesn't it—for the board to be the one to appoint the CEO, rather than it being the Minister?

**ANTHONY LEAN:** Yes.

**Ms ABIGAIL BOYD:** Why have an interim CEO? What is the interim CEO doing in the interim?

**ANTHONY LEAN:** Ms Curtain is probably better placed to answer this in more detail. Essentially, they're doing a lot of the work that will enable the corporation to start providing funding to projects within the next financial year, once the board is appointed. Really, they're focused on doing the preparatory work to get the corporation up and running. Did you want to add anything?

**KIM CURTAIN:** On top of that, they're preparing an initial pipeline of projects and talking to industry and the market to get the word out that this funding is available. No decisions will be made. It will be for the board to make any decisions. It's just trying to do that preparatory work, and there's a lot of admin around setting up a new organisation. We particularly want that pipeline ready to go. The funding hits from 1 July. Rather than have that be the starting point and then there's a long lead time before projects can be identified, they'll do that preparatory work. Ultimately, the decisions will be made by the permanent team and the board.

**Ms ABIGAIL BOYD:** It has been quite a long time now. It has been seven or eight months since we passed that legislation. It has been nine months. We spent a long time trying to make sure that the board had a worker rep on it, the unions were represented and all of that stuff. We now have an interim CEO but no board. If we have an interim CEO that makes a bunch of decisions, even if they are subject to the board coming in, what if the board says, "We don't like any of those," and gets rid of all of the things that the interim CEO has done?

**KIM CURTAIN:** It's not so much making decisions but coming up with that initial pipeline, which will then be a starting point for the board to work through. The interim CEO won't be having a board coming in and

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**CORRECTED**

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be saying, "Here are three projects to approve." It's more about having that starting point of a pipeline to work through so that it's not starting from zero and they can work a bit faster when they are appointed. There's only so much we can do until a board is appointed, so it's just trying to be ready for that.

**Ms ABIGAIL BOYD:** I might ask some more questions on supps. I think my time is up.

**The CHAIR:** I'm curious if somebody can update the Committee on the coastal emu and the coastal emu eggs that were found.

**LOUISA MAMOUNEY:** I think we'll have to take it on notice.

**The CHAIR:** Also, I know that the unlawful clearing of Bindarri National Park that happened—I think there's some commentary around why that settlement was made out of court and why the outcome was the outcome. Are there any other investigations or anything else around the Forestry Corporation accidentally logging any other parts of the national parks estate that you're aware of?

**ANTHONY LEAN:** Not as far as I'm aware.

**NAOMI STEPHENS:** Nothing as far as I'm aware.

**The CHAIR:** It was the view that the outcome of that operation at Bindarri that was achieved was the best outcome that could be achieved. Is that why the decision was taken?

**ANTHONY LEAN:** Yes. I took the decision to resolve that through, effectively, an enforceable undertaking. The advantage of doing that is we obviously avoid the costs of the prosecution that's involved, and that's for both ourselves and the defendant. We think that the package that we were successfully able to put in place through the undertaking would have been as good as, if not better than, what we would have got through a court process. When we make these decisions—Tony's probably more experienced in doing it in the EPA area than what I am—we have prosecution guidelines that we follow, and we also have to follow the Premier's memorandum around litigation between government agencies. But we were satisfied that what we were able to agree with Forestry Corp would have been at least as good as or better than what we would have got through a court process. We avoided the costs of that, and we avoided the uncertainty of litigation as well.

**The CHAIR:** Is the deed in the public arena?

**ANTHONY LEAN:** I'll take that on notice. I think we do have to disclose the details of the arrangement on a register, but let us confirm that on notice and we'll come back to you.

**The CHAIR:** If the deed isn't already publicly available, I'd be very interested if you could provide any reasons why it's not. And if the decision is not to make it public, could you provide any public interest reasoning as to why it's not made public and do that balancing act of whether there is a public interest in making that deed available publicly?

**ANTHONY LEAN:** Certainly. I understand the sentiment behind that, around the need for transparency et cetera. If it's not public, we would need to talk to Forestry, but I understand where you're coming from.

**The CHAIR:** I'm interested in any regulatory or compliance activities that the Biodiversity Conservation Trust may have on its radar in terms of compliance—any compliance or regulatory activities that may be on your radar in terms of compliance with conservation agreements, whether that's anything that is being raised with the trust at the moment.

**ERIN GIULIANI:** Sure. Can I just make a clarification about the Biodiversity Conservation Trust's role? As I think you understand, we don't have a regulatory role but are in constant interaction with our landholders. We do have a team in the Biodiversity Conservation Trust who look after what we call assurance of agreements. Our Agreement Assurance Policy is on our website. There are very dedicated staff who work in our regional delivery team and their function isn't a compliance or regulatory one. It's to support landholders to meet the requirements of their agreement and particularly to look at, where things might go off track, how to help them get back on track. But when I'm speaking about assurance matters, it's really in the vein of ensuring that the annual report process is managed appropriately, and that the works that are outlined in the annual management plans are undertaken such that our landholder support officers can tick off that the work has been done and the next year's payment can be released. In terms of your question about any specific compliance matters, we'd have to take it on notice, but I think it would be a question more for the department, which has our compliance and regulatory function over things like land clearing and so on.

**The CHAIR:** Thank you. That makes good sense. Call it what we want; if you call it assurance, that's fine. Have you got any landholders who have agreements that aren't complying or who have breached those agreements? That is what I'm trying to understand.

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**CORRECTED**

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**ERIN GIULIANI:** I can take the question on notice, but what I would observe is that landholders are wanting to do the right thing. They have voluntary conservation agreements.

**The CHAIR:** I think I'm thinking more like second generation landholders or people who have purchased lands, perhaps didn't enter into the agreement and are finding particular difficulty—that sort of thing.

**ERIN GIULIANI:** That's where our landholder support officers really do play a critical role to help agreement holders meet their requirements. When a property changes hands, our landholder support officers will reach out to the new landholders to make sure that it's understood what the agreement entails. But often people who are purchasing a property that has a conservation agreement in place are also conservation-minded type people who have an interest in conservation. To your question about whether there's any significant matters not on my radar, I can take the question on notice. In the main, I would say the overwhelming majority of landholders wish to do the right thing, and some of those areas of assurance really relate to making sure that the annual report is being handled appropriately, that the management plan is being delivered, and, as I said, the overwhelming majority do want to do the right thing. Sometimes where we are seeing an agreement go off track, that's where we can use things like adaptive management or helping to look at what the annual management plan entails to work with the landholder to get things back on track.

**ANTHONY LEAN:** Chair, we have an answer on the coastal emu.

**LOUISA MAMOONEY:** In September 2024 there were three coastal emu nests found, and those were monitored using drones and cameras. The nests were not abandoned, so there was a good outcome there, and the emu chicks did hatch successfully. I think in some cases the eggs didn't hatch, but we also did secure some eggs for incubation and two emus were successfully raised from those eggs, and they were released into the wild in December 2024. That's the information that we have on that. It's good news for the coastal emu.

**The CHAIR:** Is there any kind of monitoring program of sorts?

**LOUISA MAMOONEY:** Because we're aware of those nests in the area, we are keeping a close eye on that now.

**The CHAIR:** I want to go and play with the emus.

**The Hon. NATALIE WARD:** Native vegetation—can you provide an update on the draft native vegetation regulatory maps?

**ANTHONY LEAN:** Yes. I wrote to key stakeholders and other government agencies in about September, I think, last year indicating that I was proposing to finalise the maps. We had some feedback from farmers that they were concerned about the accuracy and reliability of the maps. Obviously, this has been an issue that has been asserted over a number of years since the legislation commenced. Just before Christmas I wrote to NSW Farmers and proposed that we undertake two pieces of work. One was to work with them to come up with strategies to better communicate the availability of the maps to landholders so that they were aware that they could seek a map review. The second issue was we offered to do a sort of sampling exercise where we look at a number of landholders, say, 30 nominated by NSW Farmers, to actually do ground truthing on those to test the issue around accuracy.

**The Hon. NATALIE WARD:** So what happens with those maps next?

**ANTHONY LEAN:** I'm waiting for a response from NSW Farmers. I had asked for that by the end of January, I think, or just before the end of January. We're following up with them at the moment.

**The Hon. NATALIE WARD:** Is a final map meant to be released?

**ANTHONY LEAN:** Yes. Once we've worked through this issue, we'll then look at whether we can finalise the maps under the legislation. It's obviously an issue that's dragged on since the reforms were enacted in 2017.

**The Hon. NATALIE WARD:** That's the intention, to release a final—

**ANTHONY LEAN:** To finalise maps, but we are working with NSW Farmers at the moment.

**The Hon. NATALIE WARD:** On biodiversity, a call was made for proposals for areas of outstanding biodiversity value a few years ago. It's not clear how many, if any, declarations of outstanding biodiversity value have been made in the last 24 months. Is that information available anywhere?

**ANTHONY LEAN:** I'm not aware that any have been declared in the last 24 months. It is a legislative mechanism established under the Biodiversity Conservation Act, and the Government's plan for nature indicated that that would be reviewed.

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**CORRECTED**

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**The Hon. NATALIE WARD:** Is it available anywhere, or is it planned to be?

**ANTHONY LEAN:** Is what available?

**The Hon. NATALIE WARD:** Is that information available anywhere, about anything that's happened? It's not clear how many declarations have been made. I think you've indicated none.

**ANTHONY LEAN:** Yes, I think—

**The Hon. NATALIE WARD:** Is that information available anywhere?

**ALISON PEPPER:** There were four declarations.

**ANTHONY LEAN:** Over the last 24 months?

**ALISON PEPPER:** Oh—in the last 24 months? No. That's just across all of New South Wales. Was it specifically in the last 24 months?

**The Hon. NATALIE WARD:** Yes.

**ANTHONY LEAN:** We'll confirm that for the Committee.

**The Hon. NATALIE WARD:** You'll confirm where it is available, if it is?

**ANTHONY LEAN:** Yes.

**The CHAIR:** Just on that, could you take on notice where the Gaanha bula nomination as an area of outstanding biodiversity value might be up to? The Mount Canobolas, Gaanha bula.

**ANTHONY LEAN:** Mount Canobolas, yes.

**The CHAIR:** Just in the last few minutes, I would be very interested if Ms Molloy perhaps has any update in relation to the natural capital strategy and where that is in terms of—I know, under the former Government, there was a document that was released, and I think the Minister here at some point said that it was not necessarily on track or it was being reviewed. Have you had any update in relation to it?

**SHARON MOLLOY:** I don't specifically on that, but you're not talking about the NSW Plan for Nature?

**The CHAIR:** It was actually a natural capital strategy that was produced. I think it may have been under DPI or something at some point, and I'm just wondering if you could update us on what is happening in terms of natural capital and research and strategic direction?

**SHARON MOLLOY:** We might have to take that on notice, if you don't mind. I don't have anything in front of me here talking about that strategy.

**The CHAIR:** On that then, is there any update in relation to the further development of the strategy to get us to nature positive. Who might that be, if that's you?

**SHARON MOLLOY:** That's certainly me in my new role, which I started in January. Essentially, we talked a little bit earlier about the amendments to the Biodiversity Offsets Scheme. That was a key component of the plan for nature. The Biodiversity Conservation Amendment Act 2024—that was assented to in December. That's a key component of it. The actual plan for nature is quite a large piece of work. In part A, there were 22 recommendations: four overarching ones around the Biodiversity Conservation Act architecture and then six pillars below that, so there's quite a lot of work that needs to be done. And there's also part B, in collaboration with our colleagues in Local Land Services. Obviously that's at the direction of Minister Moriarty. It's a big piece of work to be done, and I think we will be commencing broader consultation around what the next parts of the rest of the plan for nature and the implementation of it look like. One of the key components is the development of the nature strategy as well, so we're starting to think about what that might look like and any further amendments to the actual Biodiversity Conservation Act. The plan for nature has a lot of actions. One of them is the actual nature strategy, and another big component of it would be any potential changes to the Biodiversity Conservation Act.

**The CHAIR:** Is there a key time frame around when the nature positive strategy—that's what I keep calling it; I don't know what it's going to be called—should be completed by? Have we set a time frame?

**SHARON MOLLOY:** Not at this stage, but we're in consultation with the Minister and with the secretary on what that time frame might be.

**The CHAIR:** Is there any kind of insight from the busy people who do it about what it might look like? Does it look like we might be able to develop one in 12 months or 24 months?



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**CORRECTED**

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**SHARON MOLLOY:** We're still talking about the time frames and what that might look like. If you remember from the Plan for Nature, it's a strategy to be embedded in the legislation. Obviously we need to figure out what that looks like. We're in the early stages of looking at what that might look like, but there's a big body of work to be done.

**TONY CHAPPEL:** Chair, if I could just invite Mr Beaman to give a bit more detail on Ms Ward's question about the contaminated land inspections. But also, to your question on the particular site in the Hornsby shire, Mr Beaman had some additional detail there to share.

**STEPHEN BEAMAN:** I can do the Hornsby shire one. The team have given advice back to the North Sydney Local Planning Panel only last week. We were concerned the site wasn't going to be capped. It is going to be capped. It's also going to require licensing from us and oversight of our contaminated site order. There will be a long-term groundwater management monitoring plan for the site—if it's the site we're both talking about.<sup>5</sup>

**The CHAIR:** I suspect it is. Thank you very much.

**STEPHEN BEAMAN:** In relation to POEO inspections, there was a discussion around how someone thought someone didn't go to a site for 20 years. That's not the case. We have a system called risk-based licensing, where we prioritise our sites. To give you a feel for risk-based licensing, as of 13 February there are 1,806 in low risk, 208 in medium risk, and 44 in high risk. At low risk, you have to be inspected every five years, and at high risk you're inspected every six months. There's a very dynamic risk model that applies to the sites. We're also required, under the Protection of the Environment Operations Act, to statutorily review every licence every five years, so the assumption that we haven't been to a site for 20 years probably isn't correct.

In relation to the question you asked about contaminated land, that was in our annual report. We report that number. It's about us arriving at a decision based on information provided. Under the CLM Act, people have a positive obligation under section 60 to notify the EPA if they believe land is contaminated, and then they have to submit documentation to us. Last financial year our rate was 62 per cent. It's based on a fairly small dataset. We've had only 34 notifications and we had 21 completed in time. We often need to send the notifications back to the people making them because they've got too many data gaps in them, but the team keep them open so we keep the pressure on everyone to get them finished in time. There's work that we want to do this year with the sector, including the site auditors, to make sure we get good guidance material—so people actually submit good information with their notifications and so we can get them done quickly.

**The Hon. NATALIE WARD:** Where is that 62 per cent number found?

**STEPHEN BEAMAN:** It's in our annual report. The annual report's up on our website.

**The Hon. NATALIE WARD:** Yes. My number was from page 14 of your report.

**STEPHEN BEAMAN:** Yes, 62 for 2023 to 2024.

**The Hon. NATALIE WARD:** It says 2022 to 23—anyway.

**TONY CHAPPEL:** Yes, but 2023 to 2024 is I think the 62 per cent.

**STEPHEN BEAMAN:** The 62 per cent, which is in our latest annual report.

**NAOMI STEPHENS:** I have a correction. I'd like to correct the opening date for the Dorrigo Walk. I had the wrong North Coast walk. Dorrigo Walk will open at the beginning of 2027.

**The Hon. NATALIE WARD:** Before March?

**NAOMI STEPHENS:** Hard to say.

**ANTHONY LEAN:** I have two clarifications. One is about the Moolarben coalmine extension area and the survey work that's been undertaken by Lock the Gate. The Lock the Gate survey report, which details that breeding animals were observed, was provided to the Department of Planning, Housing and Infrastructure on 24 January 2025. DPHI has advised us that the survey report will be provided to Yancoal for further comment. Certainly DCCEEW's advice to DPHI has highlighted the statement that the koala population is likely to be critical to survival of koalas in New South Wales.

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<sup>5</sup> In [correspondence](#) to the committee received 27 March 2025, Mr Steve Beaman PSM, Executive Director, Regulatory Practice and Services, Environment Protection Authority provided a clarification to his evidence.

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**CORRECTED**

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I think, Chair, you also asked a question about the Upper Nepean State Conservation Area. Reservation of stage two under the National Parks and Wildlife Act has been delayed as there are a number of steps that need to be completed. I don't have a specific date that I can put on when it will be completed, but those steps include creating easements to provide WaterNSW access, transferring land titles including documenting existing infrastructure for WaterNSW, formalising a right that WaterNSW has to develop a bore field if required, and dedicating a public road to council. Once these steps are completed, NPWS will then compulsorily acquire and reserve the lands, which cover about 5,100 hectares.

**The CHAIR:** Okay, but no even rough time scale?

**ANTHONY LEAN:** No, unfortunately. Sometimes these property issues that we need to work through can take an extended period of time.

**The Hon. WES FANG:** Nothing on Mandala?

**ANTHONY LEAN:** I thought I answered all your questions. I haven't taken any on notice, have I?

**The CHAIR:** Any Government questions?

**The Hon. MARK BUTTIGIEG:** No. As long as all the clarifications are out, that's fine.

**The CHAIR:** That concludes this hearing. Thank you very much to all government officers for your attendance today. The Committee secretariat will be in touch in the near future regarding any further questions taken on notice and any supplementary questions. We are always incredibly grateful for all the effort, energy and time that goes into these hearings. I know I can say on behalf of all the Committee, thank you very much.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**