

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Thursday 6 March 2025

Examination of proposed expenditure for the portfolio areas

FINANCE, DOMESTIC MANUFACTURING AND GOVERNMENT PROCUREMENT, AND NATURAL RESOURCES

CORRECTED

The Committee met at 9:15.

MEMBERS

The Hon. Jeremy Buckingham (Chair)

Ms Abigail Boyd

The Hon. Greg Donnelly

Ms Cate Faehrmann

The Hon. Dr Sarah Kaine

The Hon. Stephen Lawrence

The Hon. Sarah Mitchell

The Hon. Chris Rath (Acting Deputy Chair)

The Hon. Damien Tudehope

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

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

Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of their evidence at the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures. I welcome and thank the witnesses for making the time to give evidence. All witnesses must 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 other witnesses that you do not need to be sworn as you have already been sworn before the Committee during this inquiry.

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

Mr SCOTT JOHNSTON, Deputy Secretary, Chief Commissioner of State Revenue, Commissioner of Fines Administration, Revenue NSW, on former oath

Ms SONYA CAMPBELL, Deputy Secretary, Commercial, NSW Treasury, on former oath

Ms GEORGINA BEATTIE, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development, on former affirmation

Ms ANDREA FORBES, Deputy Secretary, Procurement Reform and Banking, NSW Treasury, on former affirmation

Mr CULLEN SMYTHE, Executive Director, Technical and Advisory Services, Commissioner of State Revenue, Revenue NSW, on former oath

Mr PETER DAY, Executive Director, NSW Resources Regulator, Department of Primary Industries and Regional Development, on former affirmation

The CHAIR: Today's hearing will be conducted from 9.15 a.m. to 5.30 p.m. We are joined by the Minister for the morning session from 9.15 a.m. to 1.00 p.m., with a 15-minute break at 11.00 a.m. In the afternoon we will hear from departmental witnesses, with additional witnesses from 2.00 p.m. to 3.30 p.m. We will then have a 15-minute break before resuming questioning from 3.45 p.m. to 5.30 p.m. During these sessions there will be questions from Opposition and crossbench members only, with 15 minutes 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. DAMIEN TUDEHOPE: Good morning, Minister.

The Hon. COURTNEY HOUSSOS: Good morning, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: And good morning, repeat returners; you've had a week of this. Minister, the Anti-slavery Commissioner wrote to me, and copied you in, on 3 March with a letter relating to some issues which had been raised in the Parliament. He called on the Government to make the obligation of agents to comply with the commissioner's *Guidance on Reasonable Steps* the subject of a NSW Procurement Board direction. Have you taken any steps to issue such a direction?

The Hon. COURTNEY HOUSSOS: Thank you, Mr Tudehope, for an important question on an important issue. Indeed, this comes off the back of some serious allegations that you have raised in the Parliament in relation to a specific procurement contract. I am familiar with the letter. I've read the letter that the Anti-slavery Commissioner wrote back to you in relation to this. I have to say, there's a clear plan of action here from the Anti-slavery Commissioner. We are going to carefully consider the letter and the response, and the next steps that he takes. I make this point, Mr Tudehope: As I said at the outset, this is a really important issue. It's a serious issue. It is one that Labor pursued in opposition and now has a range of measures that we are addressing in government. I can speak through some of those specifically.

The Hon. DAMIEN TUDEHOPE: Just to go back to the question, have you made any decision about whether you will issue a direction to the Procurement Board?

The Hon. COURTNEY HOUSSOS: I haven't made a specific decision on that part of the recommendation at the moment, but I would just like to update the Committee in relation to what we have done since coming to government.

The Hon. DAMIEN TUDEHOPE: No, I'll come to that. I've got a lot to get through, Minister. I'm sure you will articulate that during the course.

The Hon. COURTNEY HOUSSOS: I just make this point. There is a large program of work that is occurring that we are doing through the procurement process, but that is more broadly occurring across government.

The Hon. DAMIEN TUDEHOPE: I understand that. When is the next meeting of the Procurement Board?

The Hon. COURTNEY HOUSSOS: They meet fairly regularly. I attend those meetings when I can. I don't have that date at the top of my head, but I'm sure the secretary or the deputy secretary could give you the date.

MICHAEL COUTTS-TROTTER: It's currently scheduled for 2 May.

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ANDREA FORBES: We do look at matters out of cycle, and have done so in the past.

The Hon. DAMIEN TUDEHOPE: Would it be beyond scope to suggest that this recommendation of the Anti-slavery Commissioner would be on the agenda for the next meeting?

The Hon. COURTNEY HOUSSOS: In relation to that, Mr Tudehope, as I said, the allegations that you raised in relation to modern slavery were in relation to a specific procurement contract. That is being managed by Transport for NSW. Those allegations are being investigated and that is a separate process—as you ask me questions in the Parliament, and then you ask the acting Minister for Transport in relation to those. In terms of the broader policy, we have been undertaking a range of measures in order to implement a whole-of-government response to anti-slavery. That's why I said earlier that I personally have met with the Anti-slavery Commissioner. My office has met with him. I'd really like to thank him for the way that he is working across government.

My understanding is that there has been a series of actions that he has taken. New guidance on reasonable steps was released in December 2023. In June 2024 the Supplier Code of Conduct was amended to specify modern slavery offences. In July 2024, the commissioner formed a working group of representatives across government to develop a shared implementation plan. My understanding is he is meeting on a two-monthly basis with agencies in order to work through that. You would accept, Mr Tudehope, that what works in one agency might not necessarily work in another. That work is ongoing.

The Hon. DAMIEN TUDEHOPE: But he's called for this guideline to be introduced since early 2023. This is nearly two years later.

The Hon. COURTNEY HOUSSOS: Early 2023 was when you were in a position to do something, not so much that I was able to do something.

The Hon. DAMIEN TUDEHOPE: Maybe I was and maybe I wasn't.

The Hon. COURTNEY HOUSSOS: I'd just give some broader context. I said that there's a lot of work that's going on. It is an opportunity to give a call-out, certainly to my Labor colleagues and long-time advocates on this, particularly the Hon. Greg Donnelly and also now the Hon. Dr Sarah Kaine, who is also a member of the committee.

The Hon. DAMIEN TUDEHOPE: That's fine. Minister, I just—

The Hon. COURTNEY HOUSSOS: That particular joint committee made a report in relation to this, and the first recommendation from that joint committee—I think it's called the Modern Slavery Committee, which is a little bit awkward.

The Hon. DAMIEN TUDEHOPE: Minister, in January—

The Hon. COURTNEY HOUSSOS: Mr Tudehope, in response to your question about whether this should be on the Procurement Board's agenda—

The Hon. DAMIEN TUDEHOPE: Agenda—that was the question.

The Hon. COURTNEY HOUSSOS: —at the next meeting, I would say there is a broad range of work that is being undertaken, including specific recommendations made by a parliamentary committee in relation to the powers that the Anti-slavery Commissioner has.

The Hon. DAMIEN TUDEHOPE: In January 2024 the Anti-slavery Commissioner made it clear to all relevant agencies, including Transport for NSW, that all procurement of electric buses carries a high inherent risk of modern slavery, including forced child labour in the production of cobalt for the lithium ion batteries used in electric vehicles. Are you confident that the full implication of this advice was applied by Transport for NSW before including Foton Mobility Distribution and VDI Yutong as approved suppliers for bus panel 4, which was established on 1 March 2024?

The Hon. COURTNEY HOUSSOS: In relation to that question—it seemed like you were reading from something. You said, "The Anti-slavery Commissioner made it clear". Are you reading from a document in relation to that?

The Hon. DAMIEN TUDEHOPE: In his letter, he refers to it.

The Hon. COURTNEY HOUSSOS: I haven't committed the entire thing to memory—it's quite a long letter. Where was that?

The Hon. DAMIEN TUDEHOPE: Under the heading "Growing evidence of modern slavery risks in electric vehicle supply chains".

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The Hon. COURTNEY HOUSSOS: He says, "Your letter draws my attention to the specific issue of the procurement of electric buses." What was your question, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: Are you confident that the full implications of this advice were applied by Transport for NSW before including Foton Mobility Distribution and VDI Yutong as approved suppliers on bus panel 4, which was established on 1 March 2024?

The Hon. COURTNEY HOUSSOS: That's quite a long and detailed question. You know that I speak regularly about my responsibilities, which you would be familiar with, as the procurement Minister. That is to set the framework. And then the individual contracts are managed within each individual department. In terms of the confidence that I have in the issuing of that particular contract—my responsibility is to set the framework. What was the date?

The Hon. DAMIEN TUDEHOPE: It was 1 March 2024.

The Hon. COURTNEY HOUSSOS: The commissioner published his guidance on reasonable steps in December. I'm just working through these dates because you're asking for my opinion at a specific point in time. This is a large body of work that requires a range of responses. Broadly, I would expect that Transport would have the appropriate checks in place. I'm advised in relation to the bus panel 4 deed that it does contain detailed provisions in respect of modern slavery and that they have incorporated additional questions related to modern slavery for all new zero-emission-bus procurement under bus panel 4.

The Hon. DAMIEN TUDEHOPE: You've just acknowledged that you set the framework. Do you consider that self-attestation by a company that there is no modern slavery in its supply chain is sufficient evidence that there is no modern slavery in its supply chain?

The Hon. COURTNEY HOUSSOS: That's an interesting question. I would certainly be interested to hear what the best practice is. You said that I set the framework. I wouldn't accept the premise of your question, because I would say we are in the process of setting the framework. We are very clear—

The Hon. DAMIEN TUDEHOPE: The framework currently in place is self-attestation. Isn't that the framework currently in place?

The Hon. COURTNEY HOUSSOS: This works better when you ask me a question and I provide you with an answer.

The Hon. DAMIEN TUDEHOPE: I have heard your answer.

The Hon. COURTNEY HOUSSOS: I don't accept the premise of your question that this framework is set in concrete. We are in the process of improving it. There is a range of different ways that we are seeking to do that. You are asking me at a specific point in time whether I have confidence in the framework. I would say that we are continuing to improve it and take that feedback on board, including the feedback that has been provided by the Anti-slavery Commissioner in response to your letter.

The Hon. DAMIEN TUDEHOPE: As that's the current position, you would say that that is not sufficient evidence, would you not—self-attestation?

The Hon. COURTNEY HOUSSOS: I would be really hesitant to rule things in and out here today. This is an important issue that should be above politics.

The Hon. DAMIEN TUDEHOPE: Let me put it to you another way—

The Hon. COURTNEY HOUSSOS: Mr Tudehope, let me finish. You wrote to the Anti-slavery Commissioner in good faith, I expect. He has replied to you in good faith. We are going to consider that carefully, but I'm not going to jump in and make gotcha-moment responses to specific policy initiatives that you want me to rule in and out today.

The Hon. DAMIEN TUDEHOPE: We're talking about slavery. This is not ruling things in or out. In your view, is a self-attestation clause sufficient evidence that a supplier to the New South Wales Government is not engaging in modern slavery? Is self-attestation the test?

The Hon. COURTNEY HOUSSOS: I would say to you—

The Hon. DAMIEN TUDEHOPE: No? Is that the answer?

The Hon. COURTNEY HOUSSOS: You're not going to put words in my mouth. I am going to provide the answers. You can ask me the questions. What I am going to say to you is that I find modern slavery—as does this Government and, I would say, this Parliament—abhorrent. We are in the process of trying to build a system.

CORRECTED

If you want to descend this into some kind of gotcha moment, we can start talking about the years that your Government didn't proclaim the Modern Slavery Act—

The Hon. DAMIEN TUDEHOPE: You're in government now, Minister.

The Hon. COURTNEY HOUSSOS: —and the votes that you made in the Parliament. This is an important issue. We can have a considered policy discussion about it. We're happy to take feedback on board. If you have specific suggestions that you did not implement when you were the Minister, we are happy to take that on board.

The Hon. DAMIEN TUDEHOPE: Let me reframe it another way. Would you expect a Chinese-owned company to admit that there is any modern slavery anywhere in China let alone in that it was itself using forced labour in its own supply chain?

The Hon. COURTNEY HOUSSOS: Do you have a specific allegation that you are raising here, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: Yes. This company, Foton, was asked in relation to its procurement practice to self-declare.

The Hon. COURTNEY HOUSSOS: That is something that we can take away and we can consider. But I make the point, the contract that we awarded to Foton Mobility group is resulting in a new 6,000-square-metre facility that is being built in Nowra, pending council approval. That is going to result in 100 new jobs in that local community. That is a different approach from this Government. We cannot fix everything overnight. There are going to be more problems that we have to resolve.

The Hon. DAMIEN TUDEHOPE: I'm happy to come to that.

The Hon. COURTNEY HOUSSOS: But I can talk to you about the concrete results of what this Government is doing and what that means for regional communities because we are better leveraging our government procurement dollars.

The Hon. DAMIEN TUDEHOPE: I'm happy to come to that shortly. The Australian Manufacturing Workers' Union has said this:

... we stand against slavery. We are deeply concerned about the recent revelations regarding new EV buses ordered by Transport for NSW.

We call on the Minns government to investigate and review the procurement practices of Transport for NSW.

The onus must be placed on Transport for NSW and the Government to ensure beyond doubt that any supplier receiving taxpayers' money to provide transport infrastructure doesn't partake in modern slavery. Slavery and exploitation have no place in any part of the supply chain.

Minister, what assurance can you give to the hardworking members of the AMWU that beyond any doubt no supplier receiving taxpayer money to provide transport infrastructure uses slavery in any part of the supply chain?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, that's a great question from the AMWU, and I just say, again, at the outset that we are absolutely opposed to modern slavery in all its forms. That's why we're taking all of these concrete policy steps to do it. I'd also make the point that I was out speaking with AMWU delegates at their conference earlier this week. They put the question slightly more forcefully than you do.

The Hon. DAMIEN TUDEHOPE: I'm sure they do.

The Hon. COURTNEY HOUSSOS: I was answering those questions directly. They have real concerns. We have real concerns. The Parliament has real concerns. That's why we're taking all of these specific actions to remedy the system that we've inherited. If you have constructive feedback, we're happy to take it on board, including the response from the Anti-slavery Commissioner. The AMWU is providing that feedback directly to me and to my office. We're all on the same ticket here, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Minister, Foton Mobility Distribution announced on 3 March—that's earlier this week—that it had found a 1,900-square-metre temporary premises that it would fit out to get ready for the first batch of chassis and parts due to arrive from China in mid-May and that it would soon be advertising for the 15 staff required to be trained to fit the chassis and parts together. Could you confirm that the local content of these imported bus kits will be zero?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you're asking me a very specific question about a contract that is being procured through Transport for NSW. As you know, as a former procurement Minister, that question is best directed to the Minister for Transport. What I can tell you—

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The Hon. DAMIEN TUDEHOPE: Are you aware of any local content?

The Hon. COURTNEY HOUSSOS: No, you get to ask me long questions and I get to provide you with a relevant answer. In relation to that specific contract, as I said to you, the media release that my name appeared on that you like to quote back to me in the House says that there is going to be a new 6,000-square-metre facility but that is pending council approval. In relation to those specifics, they are best directed to the Minister for Transport. But what I can tell you is that the existing contracts have increasing requirements for local content, because we have—

The Hon. DAMIEN TUDEHOPE: To the best of your knowledge—

The Hon. COURTNEY HOUSSOS: When we were here last time, Mr Tudehope, I tabled a marked-up version of the ministerial direction that you issued that outlawed local content.

The Hon. DAMIEN TUDEHOPE: It was selective, Minister.

The Hon. COURTNEY HOUSSOS: Let's just be clear about our starting point and where we're getting to and our plan to get us there, which we are implementing.

The Hon. DAMIEN TUDEHOPE: I think the Procurement Policy Framework is still ours.

The Hon. Dr SARAH KAINE: Including the attestations.

The Hon. DAMIEN TUDEHOPE: Minister, to the best of your knowledge, is there any local component of those buses and chassis which are being delivered at this new site?

The Hon. COURTNEY HOUSSOS: In relation to the specific requirements for that contract, I'm telling you that when the acting Minister for Transport is here he can tell you about those specific arrangements. What I can tell you is that I'm encouraged by the approach taken by Transport for NSW, which provides an increasing amount of local content. The reason why we have to do that, Mr Tudehope, is because of the decisions that your transport Ministers took over more than a decade to say we didn't want to procure locally.

The Hon. DAMIEN TUDEHOPE: So there is no local component.

The Hon. COURTNEY HOUSSOS: Let's be clear about where the regional bus contract that your Government procured was. It wasn't in Nowra; it was in Spain.

The Hon. DAMIEN TUDEHOPE: But you're putting them together in Nowra. Is that what you're saying?

The Hon. COURTNEY HOUSSOS: We have to have increasing requirements for local content.

The Hon. DAMIEN TUDEHOPE: Is there any local component?

The Hon. COURTNEY HOUSSOS: Again, you can ask me specific questions. I'm going to refer the specifics of specific contracts to the department of transport.

The Hon. SARAH MITCHELL: You don't know.

The Hon. DAMIEN TUDEHOPE: You don't know whether there is any local component.

The Hon. Dr SARAH KAINE: Point of order: The Minister has answered the same question that has been asked three times. The member opposite keeps interrupting and asking the same question. The Minister has answered. We should move on.

The CHAIR: The member can continue to ask the same question if he so wishes, but he is descending into heckling the Minister. Let's keep it civil, ask questions, provide answers and keep the inquiry rolling along.

The Hon. DAMIEN TUDEHOPE: Minister, on 30 January 2025, you made an observation in your press release when you stood in front of a vacant block of land in Nowra. You said, "This new facility shows the high-quality products that New South Wales workers and businesses can deliver." Do you recall that was what you said in your media statement?

The Hon. COURTNEY HOUSSOS: Again, I can't accept the premise of your question. I wasn't at the announcement. It's true that I was on the media release and those quotes that you're providing back are in relation to that. That's what we want to do.

The Hon. DAMIEN TUDEHOPE: You want to do? It doesn't say you "will do it"; it says, "it shows". Do you have any evidence that the new facility will do anything other than assemble bus chassis and parts made in China and imported by Foton Mobility? Is there any evidence?

CORRECTED

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I can tell you what the evidence will be. It will be 100 jobs that will be located in Nowra instead of offshore. The policies pursued by yourself and your Government meant that those 100 jobs would have been in any number of locations, in Spain or wherever else your—what did the Premier call him?—Minister for offshore manufacturing put them. That is the concrete result: There will be 100 jobs. This is not a light switch that we can turn on. This is not a tap that we can simply turn off.

The Hon. DAMIEN TUDEHOPE: Local manufacturing now means putting together components assembled in another country. Is that what you're saying is local manufacturing?

The Hon. COURTNEY HOUSSOS: I'm saying that may be the first step in relation to rebuilding the manufacturing industry that your Government systemically and ideologically dismantled for more than a decade. That's going to take time, but the result of our policies is going to be 100 new jobs in regional New South Wales—100 regional jobs from that specific content.

The CHAIR: Before I hand over to Ms Boyd, I'll just ask a couple of questions. Minister, do you know what the Australian Natural Therapeutics Group is?

The Hon. COURTNEY HOUSSOS: I'm not sure I am familiar with them. Could you give me a bit more detail?

The CHAIR: According to the Financial Review two days ago, they are the world's best producer of medicinal cannabis. They're producing the most high value medicinal cannabis in the world. Were you aware that they have an operation in the Northern Tablelands near Armidale?

The Hon. COURTNEY HOUSSOS: I am aware of that and I did see that article in the AFR earlier this week. It was the questions that you asked the Premier that talked about some of the opportunities in relation to that.

The CHAIR: You've raised the opportunities. What do you see as the opportunities for growing the medicinal cannabis industry in New South Wales, considering that the market value of that industry just domestically in Australia is forecast to go past half a billion dollars next year? What do you think some of the opportunities are, and what is the Government doing to seize on those?

The Hon. COURTNEY HOUSSOS: That's a really interesting question, and it's a good question. I think the article—or perhaps it was that you asked the Premier. I can't remember. I read a series of things off the back of that. Do we import about 70 per cent of the medicinal cannabis that we use?

The CHAIR: Yes, that's right.

The Hon. COURTNEY HOUSSOS: From a government perspective, we're open to any opportunities to rebuild our State's domestic manufacturing capabilities in New South Wales. For companies like Australian Natural Therapeutics Group or some of the other groups who have seized this opportunity, we would be keen to hear from them about the ways that the Government—if there are specific policy initiatives that we could be doing in relation to supporting the work they do.

The CHAIR: Thank you.

The Hon. COURTNEY HOUSSOS: Sorry, can I make one point? Earlier this year I had the opportunity to see—I think it was opened just yesterday—the Advanced Manufacturing Readiness Centre out in Bradfield. This is an enormous facility. It's in the First Building. It's literally called the First Building, and it's the first building at Bradfield. It's amazing. They are looking at opportunities to work with local advanced manufacturers. When I visited, I also visited a company called Marley Flow, which is the first company that they actually engaged with. They provide their expertise around advanced manufacturing to small or medium-sized businesses. Their expertise was crucial in them finding new opportunities and being able to leverage it. That might be something that we would be able to offer to some of these companies.

The feedback that we particularly heard from Marley Flow and that I heard from other manufacturing and medium-sized businesses is that they might be really good at doing the business, but—what was the phrase they used?—they're working for the business, not on the business. This is the opportunity that the Advanced Manufacturing Readiness Centre has. They can give that kind of business expertise about how they can expand and grow and take on those new opportunities.

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

CORRECTED

through those documents is that there wouldn't be very many of them that did have that authority. Are you able to give us an update on how many of them have had the authority and how many have been charging unlawfully?

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

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

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

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

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

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

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

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

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

Ms ABIGAIL BOYD: That's good that they've stopped charging. Obviously, Minister, this is something that you inherited, along with lots of other lovely problems for you. But now that we know about this—and I understand it was at least \$140 million that was taken unlawfully from the public—what sort of actions will the Government now take to make good on that?

The Hon. COURTNEY HOUSSOS: It's a great question. The first step that we took was to try and cease the unlawful activity, which we still—there's some complications to that. But we are certainly happy to report that that is the first tranche of work that we're doing. You're right: There was a large amount of money. There have been some challenges in relation to that. Before I get to the actual money that was—we immediately referred the issue to the Ombudsman. As the body that's charged with investigating potential maladministration, we believe that his focus on this particular matter and any recommendations that he would make, resulting from that, is really important and we're supporting the work that he's doing. When I say "we", the New South Wales Government is supporting the work that he's doing. We're going to await and see what he recommends.

In relation to the specific amount of money, this was small amounts. Perhaps even Revenue NSW could give you a specific example because they were one of the agencies, along with Service, that were caught up in this. But I'd make this point: It's relatively small amounts of data that were collected across platforms that are fundamentally designed not to retain data. So it's not as simple as when you go to return something at a shop and they can just refund it back straight onto your card. These systems are actually set up not to retain any of that data. So it's not simply a switching back or a quick refund or a quick fix.

Ms ABIGAIL BOYD: I understand also there are GST complications with refunding the money. It's complicated.

The Hon. COURTNEY HOUSSOS: I would say that we await the report of the Ombudsman. We will take any recommendations he says seriously. I also take seriously the responsibility that we have in relation to the refunds that should be provided and the long period of time and the relatively small amount, and perhaps any administration charges that might be required in order to implement a system. We're working through these issues.

CORRECTED

We are continuing to see what we can do. The key challenge has been the lack of data that's retained. But that's a deliberate decision by government, and it's the right decision to take, but it just makes it really difficult for us.

Ms ABIGAIL BOYD: On the assumption that it would be next to impossible to actually find everybody who was unlawfully charged and then give them their money back, we're still in a situation where collectively the Government has stolen over \$140 million or whatever you tell me the number is from the public. There are other ways that you could give that money back. Are they being considered, in terms of, for example, a generalised discount for all citizens or something along those lines, to ensure that the Government doesn't just profit from the unlawful behaviour?

The Hon. COURTNEY HOUSSOS: I have to say we've considered a range of different options in relation to it. We haven't come to a specific conclusion. My concern with just a generalised refund to the community is it's not actually going to the people who were affected. I think the principle fundamentally is you want to try and refund the people who were affected.

Ms ABIGAIL BOYD: If you can. But if you can't?

The Hon. COURTNEY HOUSSOS: We're not there yet. I won't rule it in or out. I would say, particularly in relation to Revenue, we saw a small number of large transactions, so they would be disproportionately affected. So we really focused on people who may have lost significantly. Again, they're very small numbers. Our overarching approach in terms of the budget is one of being careful and prudent. I think the values assessment for us and for the Government to make is how much are we going to invest in the refunding and is it better to do some kind of one-off or—it's worthwhile noting this was money that was collected in the past. This is why we are really just awaiting the Ombudsman's report, and then we'll consider those and a Government response more fully.

Ms ABIGAIL BOYD: Presumably, if people are so inclined—you're right, we're talking relatively small amounts of money—they could join together and launch a class order and get that pool of money and then try to divide it up. The principle is still that the Government has unlawfully obtained money. Are you committing to return that money in some form to the public to make good?

The Hon. COURTNEY HOUSSOS: I am absolutely committed to—let me say this. When we received the advice, I was appalled and outraged, and we took a number of swift steps in order to refer this for investigation and to make a number of inquiries in relation to how this money had been collected and how this had happened. How did this happen? The thing that is clear to us is because it has been over such a long period of time, because the amounts are relatively small, because they are across systems that are fundamentally designed not to retain credit card data—which is best practice for data security; that's actually a really good sign—that creates problems if we want to be able to provide a refund and make good. I'd say we're not ruling anything in or out at this point. We're still in active considerations of those. We'll definitely be informed by the Ombudsman's report. We're going to take that very seriously, but I'd also take seriously the ability of how to provide the redress to individuals who were affected.

Ms ABIGAIL BOYD: I'm interested in that revenue example, and I'll come to that in a moment. I just wanted to ask you two more questions on this, though. What struck me as particularly strange, reading through the documents, is that it's clear a legislative fix would have made it all okay. If you look back at 2011, when the original idea or the Treasurer's circular or a direction—I think it was a circular at the time—was issued, saying all agencies need to recoup these agency merchant fees, the reason it was done was because otherwise the Government was incurring those merchant fees on behalf of people. So there needed to be some sort of passing back on from the customer into the Government, and I understand that. If you've turned off now those 36 agencies that are not able or did not have the lawful authority to charge, presumably the Government is now paying those merchant fees itself. Is a simple legislative fix just going to be brought to the Parliament soon to give them the authority?

The Hon. COURTNEY HOUSSOS: It's a great question. You're right that that would have been a really easy fix. I'm not quite sure—that's probably a question that's directed to a finance Minister well before my time. In terms of the next—at this point, we just thought it was better, rather than to bring a legislative fix, just to simply say, "Just stop doing it, and then we'll consider the next steps." We'll do them in light of the Ombudsman's inquiry. The Treasury secretary was nodding intently here. I think there might be something related in the banking tender that I didn't have anything to do with.

MICHAEL COUTTS-TROTTER: Thank you, Minister. Number one, we're trying to and have succeeded in negotiating down the price of those merchant fees that we pay and no longer pass on. Secondly, of course, the Commonwealth, through I think the Reserve Bank, is having a look at actually banning the application of merchant fees, particularly on debit transactions. So there's input to the Government from the Ombudsman at

CORRECTED

a State level, and there's an open question at a Commonwealth level whether some or all of merchant fee charging will actually be prohibited. We are, to some extent, waiting on those two considerations.

Ms ABIGAIL BOYD: Understood. I understand that you are pending the Ombudsman's report into the maladministration aspects. But have you had a look at the documents and do you see that perhaps certain individuals didn't act in the best interests of the Government or weren't doing their jobs properly? I don't need to know their names, but have you taken any action already to either discipline or exclude people where it's obvious that they didn't do their jobs properly?

The Hon. COURTNEY HOUSSOS: I'll make a confession, which is that I haven't looked through all of the documents.

Ms ABIGAIL BOYD: There are a lot.

The Hon. COURTNEY HOUSSOS: Yes, I'm aware that there are a lot. I've looked through some of them. I'm deeply concerned about the lack of responsibility that was taken by individuals who received this advice, and that's the particular part of the Ombudsman's report that I will be most interested in receiving.

Ms ABIGAIL BOYD: Could you give me an example from the revenue side, particularly these large transactions, where you think you might be able to more easily identify refunds and things?

SCOTT JOHNSTON: Hopefully I'm on the right track to your question, Ms Boyd. For some tax transactions, people could pay their tax assessment by credit card but up to a maximum of \$200,000. We charged, before turning it off, at a rate of 0.25 of 1 per cent. The maximum there was \$500. It was just over \$200,000, actually. It was 575¢. A very small number of people paid that. One of the challenges with all of this is also the volume. But you can see progressively that when there are fewer at that higher end it's easier to identify potentially who those payments were made by.

Ms ABIGAIL BOYD: Understood. I guess that's why you're waiting for the Ombudsman's report, because you wouldn't want a situation where you were giving back money to people who had been able to make those larger purchases and not to all of those people who are just paying their rego or whatever.

The Hon. DAMIEN TUDEHOPE: Minister, just to finish off, in relation to the Nowra facility, in your press release you said, "This new facility shows the high-quality products New South Wales and businesses can deliver." Do the high-quality products which are being delivered include CATL batteries imported from China?

The Hon. COURTNEY HOUSSOS: That's an excellent question in relation to the batteries that are going to be procured as part of the process. I make this point at the outset: I do believe that, if we procure goods locally, we can get higher quality products. That's part of us learning from the lessons of what we've seen under the previous Government's response. In relation to the specific question, the CATL—I don't know whether I am supposed to say "C-A-T-L" or whether you pronounce them "cattle". I am happy to be informed, if I am using the incorrect documents here.

The Hon. DAMIEN TUDEHOPE: "C-A-T-L", I think.

The Hon. COURTNEY HOUSSOS: I make a couple of points. The previous Government procured a number of buses with these batteries. I am told that they have over 30 per cent of the market, and the Premier read out a long list of vehicle manufacturers who used these batteries.

The Hon. DAMIEN TUDEHOPE: Not against a background where we had advice from the Anti-slavery Commissioner.

The Hon. Dr SARAH KAINE: Because you didn't look.

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: I have asked questions in relation to the contracts themselves and whether they prescribed which specific batteries are required to be used. That is something that we could consider in the future. But, more broadly, the question of where these kinds of materials are procured from is one that we can't solve at a New South Wales level. This is where the two parts of my portfolio come together really well. We believe that there are opportunities to procure the critical minerals required for these kinds of products here in New South Wales in an ethical way and within a framework that has robust regulatory requirements. We want to be able to do more of that here in New South Wales.

The Hon. DAMIEN TUDEHOPE: So are we going to tolerate it in the meantime, are we?

The Hon. COURTNEY HOUSSOS: This is something where there are very limited market options. When you—

CORRECTED

The Hon. DAMIEN TUDEHOPE: That means the tolerance level for anti-slavery is where?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you're asking me a really serious question.

The Hon. DAMIEN TUDEHOPE: I am.

The Hon. COURTNEY HOUSSOS: You've raised some really serious allegations. I've shown you how we are immediately addressing the problem, but there's a broader issue here. It's almost a year ago that I stood with the Prime Minister and the Federal industry and energy Ministers, who are trying to rebuild manufacturing at a much broader scale with much greater capacity than the New South Wales Government has. We are committed—

The Hon. DAMIEN TUDEHOPE: I thank you for that.

The Hon. COURTNEY HOUSSOS: Just let me just finish this, Mr Tudehope. We are committed to spending more of our procurement dollars here in New South Wales and here in Australia so we can procure within a robust regulatory environment that we have more control over.

The Hon. DAMIEN TUDEHOPE: On Chinese-manufactured buses.

The Hon. COURTNEY HOUSSOS: No, Mr Tudehope, this is a really important issue. We're going to spend more money here in New South Wales doing it than you ever did.

The Hon. DAMIEN TUDEHOPE: I'm not sure that's right but—

The Hon. COURTNEY HOUSSOS: These are companies that you procured from as well. These are companies that have a large share of the market. We're taking immediate steps but we're also addressing the broader challenge.

The Hon. DAMIEN TUDEHOPE: Minister, in relation to the new procurement policy which you want to put in place, will that new procurement policy include a debarment scheme for tax defaulters and phoenixers?

The Hon. COURTNEY HOUSSOS: That's a great question in relation to the debarment scheme that we're looking at implementing. Let me just say at the outset that the only other jurisdiction in Australia that has a debarment scheme is Western Australia. We are looking closely at their system before we implement ours. This is something that we have to do very carefully because it would be unprecedented in New South Wales—it's also off the back ICAC recommendations—to say to a company that you can no longer procure it from any part of the New South Wales Government. I think it's an important lever to pull, but I think it's also one that we have to be careful about what the actual requirements are.

The Hon. DAMIEN TUDEHOPE: What I think you're saying is you consider that on a case-by-case basis.

The Hon. COURTNEY HOUSSOS: No, I'm saying we are currently considering what a debarment scheme looks like. We haven't finalised that yet. We will be informed by Western Australia.

The Hon. DAMIEN TUDEHOPE: In the meantime, do you expect agencies to take reasonable steps to ensure that no contracts are given to companies owned or controlled, in whole or in part, by people with a record of tax defaulting or phoenixing?

The Hon. COURTNEY HOUSSOS: That's a very detailed and complex question. What I can tell you in relation to—we don't have a debarment scheme in place. We do have a supplier code of conduct in place. If you have specific allegations around a specific contract, I would be happy either for you to table them here for the Committee or for us to investigate those separately and refer those to the appropriate place. The due diligence standards for New South Wales Government agencies are defined in the Procurement Policy Framework. There are requirements, and they vary depending on the scope and the complexity and the risk profile of the contract. The contracts themselves are administered within agencies, as we've discussed today, but there are a range of different checks that are in place, including on financial matters.

The Hon. DAMIEN TUDEHOPE: You asked me to talk to you about specific things. When you issued the media statement in relation to Foton Mobility Distribution, were you aware that Kyriakos Tsihlis was a former director of that company?

The Hon. COURTNEY HOUSSOS: Again, this is something that you've put to me in the House in relation to specific allegations. My understanding is that you've received a briefing on those specific allegations from the group itself, I think. Is that correct?

The Hon. DAMIEN TUDEHOPE: I'm asking the question. Were you aware at the time that Mr Tsihlis was a former director of the company?

CORRECTED

The Hon. COURTNEY HOUSSOS: Again, you're asking me a specific question. You're asking me about a specific example of a specific individual. My understanding is that he is no longer connected to that particular company. I had some specific advice, and I think that the Minister for Transport got back to you on those specific allegations that you raised. But my advice is that the company has contacted you directly—sorry, he's a former director and secretary of GoZero Group. But I didn't think he had any specific—

The Hon. DAMIEN TUDEHOPE: Let me it put to you again.

The Hon. COURTNEY HOUSSOS: But, Mr Tudehope, it's a bit disingenuous if you've received a briefing from the company.

The Hon. DAMIEN TUDEHOPE: It was a specific question—"Were you aware?"—and I think I gather that you probably—

The Hon. COURTNEY HOUSSOS: Well, no—

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

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

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

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

The Hon. DAMIEN TUDEHOPE: You can say no.

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

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

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

The Hon. DAMIEN TUDEHOPE: Sorry?

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

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

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

The Hon. DAMIEN TUDEHOPE: Correct.

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

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

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

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

The Hon. COURTNEY HOUSSOS: Sure.

The Hon. DAMIEN TUDEHOPE: Are you aware that on 28 February 2025 the Federal Court made a winding up order for Precision Cut Services Australia Pty Ltd, which was owned by Kyriakos Tsihlis and had been working as Metsquare 2, a subcontractor on a variety of New South Wales building contracts?

The Hon. COURTNEY HOUSSOS: Sorry, I think you're reading from a document again there, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: No, I'm reading from a question.

The Hon. COURTNEY HOUSSOS: There's a ruling from the Federal Court. I wasn't familiar with the—

CORRECTED

The Hon. DAMIEN TUDEHOPE: Are you aware that on 28 February 2025 the court made a winding up order for Precision Cut Services Australia Pty Ltd? If you're not aware, Minister—

The Hon. COURTNEY HOUSSOS: I don't know. I'm not aware. I don't regularly read winding up orders from the Federal Court. If you've got a specific allegation, Mr Tudehope, if there's a specific connection—

The Hon. DAMIEN TUDEHOPE: I'll come to that.

The Hon. COURTNEY HOUSSOS: —then I'm happy to investigate it. I'm happy to—

The Hon. DAMIEN TUDEHOPE: There was a notice of winding up for that. The notice of application for this winding up order against Metsquare 2 was filed in the Federal Court and published on 11 July 2024, six months prior to the New South Wales Government giving Foton Mobility Distribution a contract for the delivery of 126 buses. Was that a good procurement decision for the people of New South Wales given that Mr Tsihlis had in fact defaulted, as part of those winding up proceedings, in his obligations to the Tax Office?

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope, I'm not sure why your particular pursuit of this individual is—I'm a bit baffled about that. But the question you asked me is in—I'd make this point in relation to the broader question about policy checks that should be in place and the requirements under the Supplier Code of Conduct. There are checks that are required to be done under the Supplier Code of Conduct in relation to the actions of—or the financial arrangements that are in place for companies. I'm happy to provide more detail in relation to what those particular checks are. These due diligence steps could include referee checks or financial assessments. We expect that the appropriate checks are undertaken by those particular departments, and my responsibility as the Minister is to make sure that we have a framework which sets those out.

In relation to phoenixing, I'd make this point: We have taken a number of steps, including bringing legislative change, to tighten up the provisions to ensure that people who phoenix companies are particularly liable for other outstanding debts that they might have to the New South Wales government. That's a separate body of work. But I'd say, from a broader policy perspective, there are a number of due diligence steps that should be undertaken as part of the awarding of the contract, and I would expect that agencies would have robust systems in place in order to make those appropriate checks.

The Hon. DAMIEN TUDEHOPE: Metsquare 2 was a phoenix company set up by Mr Tsihlis after his first company, Metsquare, went into liquidation owing \$23.2 million to the Australian Tax Office. Metsquare 2 reportedly owes \$6.7 million to the Australian Tax Office. Would you have expected those tax debts to have been picked up in this procurement process?

The Hon. COURTNEY HOUSSOS: That's a great question. I don't know specifically whether tax debts are taken onboard. I would certainly say that due diligence checks—it's often in a tiered approach. You would expect, and I know, that there's a basic check of suppliers when they first register and buy in New South Wales. Then there are additional checks that are based on the risk profile of those suppliers, and then there are advanced checks that are aimed at high-risk suppliers and procurement types. That's certainly, I know, in relation to some of the work that the Hon. Dr Sarah Kaine has talked about—

The Hon. DAMIEN TUDEHOPE: Let me ask you this.

The Hon. COURTNEY HOUSSOS: —looking at some high-risk suppliers and making sure that the checking arrangements are in place.

The Hon. DAMIEN TUDEHOPE: Does either Metsquare—

The Hon. COURTNEY HOUSSOS: Sorry, Mr Tudehope. You've asked me a very specific question, and there was a long run-in.

The Hon. DAMIEN TUDEHOPE: No, it wasn't specific. I was asking whether you were aware—

The Hon. COURTNEY HOUSSOS: You just asked me whether ATO debts are taken into consideration. I'd just ask whether we set specific rules in relation to that.

The Hon. DAMIEN TUDEHOPE: That's exactly my next question. Do either of those companies owe the New South Wales Government any money?

The Hon. COURTNEY HOUSSOS: You would know, as a former Minister for Finance, that there are very specific tax confidentiality rules that are in place in relation to individuals. Indeed, we strengthened those off the back of a number of scandals requiring that confidentiality be maintained.

The Hon. DAMIEN TUDEHOPE: Well, this is a scandal.

CORRECTED

The Hon. COURTNEY HOUSSOS: If you have a specific allegation and you're saying that individual owes money to the New South Wales—

The Hon. DAMIEN TUDEHOPE: Mr Johnston, do either of those companies that I mentioned owe payroll tax to the New South Wales Government?

The Hon. COURTNEY HOUSSOS: You know, as a former Minister for Finance—

The Hon. DAMIEN TUDEHOPE: I asked Mr Johnston.

The Hon. COURTNEY HOUSSOS: —that there are specific requirements around tax confidentiality.

The Hon. DAMIEN TUDEHOPE: Mr Johnston?

SCOTT JOHNSTON: Mr Tudehope, I'd support the Minister's comments about confidentiality and secrecy provisions around these matters.

The Hon. DAMIEN TUDEHOPE: Minister, can I just ask you this: Should companies that have been convicted of serious breaches of the Work Health and Safety Act be given procurement contracts to supply goods and services to New South Wales Government?

The Hon. COURTNEY HOUSSOS: Should companies?

The Hon. DAMIEN TUDEHOPE: Should companies that have been convicted of serious breaches of the Work Health and Safety Act 2011 be given procurement contracts to supply goods and services to the New South Wales Government?

The Hon. COURTNEY HOUSSOS: You are giving me a specific legislative reference there. Do you have a specific part of the Act that you think that we should include in our procurement framework?

The Hon. DAMIEN TUDEHOPE: It's a general question about whether they have been convicted of a serious breach of Work Health and Safety Act.

The Hon. COURTNEY HOUSSOS: I'm not an expert in the Work Health and Safety Act. What I would say is that we are committed to ensuring that our procurement processes take companies' track records into place. That's why—

The Hon. DAMIEN TUDEHOPE: Including breaches of the Work Health and Safety Act?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you can ask me questions—

The Hon. DAMIEN TUDEHOPE: I am.

The Hon. COURTNEY HOUSSOS: —and I can provide you with serious answers about serious policies that we can debate, or you can try to keep cutting me off and try to get your gotcha moments.

The Hon. DAMIEN TUDEHOPE: On 30 January 2025, before promoting GoZero's Foton Mobility Distribution's proposed new factory that will supposedly create up to 100 jobs, were you aware that the majority shareholder of GoZero, Kirk Tsihlis's company Metsquare, was on 22 March 2024 convicted by the District Court and fined \$450,000 for breaches of the Work Health and Safety Act 2011?

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope—

The Hon. DAMIEN TUDEHOPE: Yes or no? Were you aware?

The Hon. COURTNEY HOUSSOS: No, I wasn't aware of specific arrangements because, before issuing a media release—I'm going to try and take this question and provide it with a serious and considered response, because the issue of procurement is something that is very important, and the way that we spend our government taxpayer funds is something that I take utmost seriously. If you have specific allegations, we will make—

The Hon. DAMIEN TUDEHOPE: I'm putting them to you.

The Hon. COURTNEY HOUSSOS: But if these are the same allegations that you have raised in the Parliament—

The Hon. DAMIEN TUDEHOPE: No, these are new ones.

The Hon. COURTNEY HOUSSOS: —and you're simply rehearsing them here because you don't have any new material, then—

The Hon. DAMIEN TUDEHOPE: These are new issues.

CORRECTED

The Hon. COURTNEY HOUSSOS: Great. Then I will refer those to the Minister for Transport.

The Hon. DAMIEN TUDEHOPE: Well—

The Hon. COURTNEY HOUSSOS: No. Mr Tudehope, you are asking me about what policy framework is in place for—

The Hon. DAMIEN TUDEHOPE: For work health and safety breaches.

The Hon. COURTNEY HOUSSOS: Absolutely. There are due diligence tests that are in place, and they vary on the scope, the complexity and the risk profile of the contract. But you come in here with some kind of—

The Hon. DAMIEN TUDEHOPE: You were lauding this company in circumstances of this great initiative for New South Wales, and at the time, you say, you weren't aware of the serious work health and safety breaches relating to that company.

The Hon. COURTNEY HOUSSOS: Because we have a procurement system in place that conducts a range of checks, including referee checks, financial assessments and regulatory checks. The entire government procurement system doesn't rely on the Minister conducting a Google search before we go out and do a media event. It actually relies on a considered and a careful assessment of people over time. The idea that we don't have a robust system—if you have specific examples of where this has fallen down, then we will investigate those.

The Hon. DAMIEN TUDEHOPE: I'm putting them to you now.

The Hon. COURTNEY HOUSSOS: But just to be clear, Mr Tudehope, there's no-one at the table here who will be responsible for investigating these specific allegations.

The Hon. DAMIEN TUDEHOPE: I'm putting them to you. Minister, are you aware that the breach—

The Hon. COURTNEY HOUSSOS: The appropriate place to raise those—

The Hon. Dr SARAH KAINE: Point of order: The Hon. Damien Tudehope keeps talking over the Minister when she is attempting to address the multiple questions that he's asked. She's attempting to address them comprehensively because there has been a series of questions which are serious in nature. The Minister has the right to answer those questions and be heard with due courtesy.

The CHAIR: I uphold the point of order. I ask members to avoid speaking over the top of the Minister. The Minister was talking about who has responsibility for investigating these matters. Minister, had you concluded?

The Hon. COURTNEY HOUSSOS: I just make this point: I would expect government agencies to have appropriate probity processes and vetting processes in place.

The Hon. DAMIEN TUDEHOPE: That's the answer. I think that's right. Minister, are you aware that the breach which led to this conviction was a failure to ensure that very basic safety measures were undertaken on a worksite, and that this failure resulted in a young apprentice carpenter falling through a shaft onto uncapped reinforced steel bars, resulting in severe damage to his genitals, urethra and groin that required surgery and ongoing treatment and left lasting physical and psychological harms? In her judgement against Tsihlis's Metsquare in the District Court, Judge Strathdee said:

The seriousness of the foreseeable harm to a worker was significant, and the steps available to avoid the risk were straightforward and available to the defendant.

Should a company with which this man is associated be receiving the benefit of New South Wales contracts?

The Hon. COURTNEY HOUSSOS: I've got to say, that's a really disturbing passage that you've just read out. The lasting damage that is caused to that individual is really concerning. But, Mr Tudehope, I'd again appeal to you to provide those concrete allegations that you have there so that we can refer them to the department of transport and investigate them properly. We do expect that there are robust probity checks in place. If the system has not provided that, then we want to rectify that.

The Hon. DAMIEN TUDEHOPE: This was a company, with which this man was associated, that had just been awarded a contract by the New South Wales Government to import and assemble Chinese buses in Nowra, 126 of them.

The Hon. COURTNEY HOUSSOS: Again, I'm not going to accept the premise of your question, which is that this individual is associated with that company. My understanding is—and I'm happy to be corrected—that he doesn't have a relationship. You're drawing quite a long bow there in terms of an individual who may be associated with a company who may have these things that have occurred. I am advised that this individual is no longer associated with that company, and that you have also been briefed on this as well. If that's not correct, I'm

CORRECTED

happy to correct the record. I would like to refer the specific allegations to the department of transport, if you have additional allegations, and I would like those to be investigated. We will of course take any actions that we need to take as a result of those. But these are very serious allegations that you are making.

The Hon. DAMIEN TUDEHOPE: What is the action you would—

The CHAIR: Unfortunately, Mr Tudehope, your time has expired for this round of questions, so you'll have to come back to that later.

Ms ABIGAIL BOYD: As demonstrated by the questioning of the Opposition, there appears to be a high level of angst about labour practices across the Parliament. Can you guarantee best practice labour standards will be ensured in the new procurement framework?

The Hon. COURTNEY HOUSSOS: In relation to best practice labour standards, I would say that we expect that there are appropriate probity checks and appropriate diligence checks to ensure that the people and companies that the New South Wales Government is procuring from have the appropriate checks in place, and that that is a robust system to give us confidence that the system is working.

Ms ABIGAIL BOYD: In the new procurement framework, which I would like to talk more generally about in terms of the timeline et cetera, will you guarantee best practice labour standards as part of that?

The Hon. COURTNEY HOUSSOS: My understanding is that best practice labour standards has a specific terminology, which is also known as the secure jobs code, which is something that the Premier has explicitly ruled out. That doesn't mean that we don't expect that there are appropriate probity checks, that these kinds of allegations that the Opposition has raised here today can't be investigated, and that any kind of track record wouldn't be taken into account. But in relation to specifics, I'm just hesitant to provide you with a yes/no answer. In relation to a secure jobs code, the Premier has ruled that out; they won't be part of the procurement reforms.

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

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

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

Ms ABIGAIL BOYD: I might send that through to you separately. In terms of the procurement framework, then, what is the timeline? When are we likely to see an exposure draft?

The Hon. COURTNEY HOUSSOS: We're working diligently on our legislative response. I concede that it's taking slightly longer than we want it to, but it's a really big program of reform. We're continuing to engage with both the labour movement and the business community in relation to those, but we want to be able to release an exposure draft so we can get feedback. We think that's really important.

Ms ABIGAIL BOYD: Is that something that will be made more publicly available—as in, will we be able to see a draft? Will we have input before it becomes—I've become a bit wary of bills that seem to come to us at the last minute and get rushed through, so I'm hoping that this is one that we will have a chance to look at properly.

The Hon. COURTNEY HOUSSOS: That's my plan: that we would actually release an exposure draft before we introduce it to Parliament. I actually want to be able to engage with a broad range of stakeholders, including members of Parliament, to provide feedback before we introduce the bill into Parliament.

Ms ABIGAIL BOYD: Good. Do you have any sort of ballpark time frame, then, for when that would be released?

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The Hon. COURTNEY HOUSSOS: I can assure you we are deep in the policy work at the moment and we're just working through that at the moment.

Ms ABIGAIL BOYD: I was pleased to see the release of the summary of public consultation on the future jobs and investment authorities. Thank you for releasing that. I read through the summary of feedback and was really pleased because it does capture what a lot of the stakeholders were telling us, particularly that the proposed model was seen as overly bureaucratic and lacking an effective decision-making authority, that more genuine local engagement was required and that, to achieve net zero targets, there should be a transition away from coal as soon as practicable. All of those things were really good. How much of this is going to make its way into the actual, final proposal for these authorities?

The Hon. COURTNEY HOUSSOS: I make this point: Frank feedback is sometimes hard to receive, but it's important to receive it. We have taken it on board. We put a lot of work, and I personally put a lot of work, into the consultation paper that we released last year. You would see why we took some time to work through that consultation. We are working very carefully through the consultation and taking that on board. The other part of the work that we're doing on the future jobs and investment authorities at the moment is we're having conversations with our Federal colleagues. They have now set up the NZEA, the Net Zero Economy Authority.

We have a State body and a Federal body that are going to be working with the same communities with similar objectives. We want to make sure that we're not duplicating those, so I'm having some great conversations, alongside Minister Sharpe, with our Federal colleagues, including Senator Tim Ayres, about how we can make sure those organisations work together, and maybe we can tap into some of their funding as well. Those conversations are ongoing.

Ms ABIGAIL BOYD: I understand that has been part of the reason for the delay on this. When we were talking about transition authorities before 2023, the idea that we always thought of was that there would be this sort of structure where it's more up to Federal, where Federal would be providing most of the funding. You would then have the State authorities underneath that would form an umbrella for those particular community-based transition authorities. I understand that there is a bit of work to be done in trying to marry up with what's happening at a Federal level. However, as the summary of public consultation shows, there are some regions—for example, the Hunter, where you had a huge number of submissions—where they're already well up the curve and they just need the funding. We spoke last time about how the Royalties for Rejuvenation Fund was stuck until 2028. Are there any opportunities for interim funding to be provided for those communities that are already hard at work and trying to transition?

The Hon. COURTNEY HOUSSOS: You raise a number of really important points. I'll make a couple of points, and then you might want to ask some more questions in relation to this this afternoon. We haven't established our final model. My precursor for the Government considering whether to open that particular fund prior to 2028 was always about getting the model in place first, and then we would know how to best funnel the funding to communities. Before we can even get the model in place, we need to map the actual timeline for potential coalmines either closing or coming to the end of their planning approvals. We've done that. We did that as part of the consultation paper. That is really framing the response we have. Are we going to have to focus on different regions sooner? That has been quite informative.

We have established a dedicated team within the resources part of the New South Wales Government to coordinate across government to start that work so that we can be driving that economic development and finding those job-creating opportunities. Once we finalise that model—we're working to make sure that's able to be in place very soon, but we haven't been working on the model without the body of work occurring within the department as well.

Ms ABIGAIL BOYD: I guess one of the things that the transition authority model is incredibly useful for is the sort of planning aspect, rather than letting businesses dictate to us when they're going to close and what they're going to do. From what you're saying, then, is there going to be a bit more sort of government leadership in terms of when coalmines are closing?

The Hon. COURTNEY HOUSSOS: I'm not sure that I would say there's government leadership in terms of when coalmines are closing. I would say that we are closely examining the existing sources of information. I haven't got a copy of the consultation. I might have a copy of the consultation paper. The consultation paper that we released actually says, "This particular mine, its existing planning approvals end at this date", so that we can map where they're going to be. Where are the jobs going to be, where do we need the authorities to focus on first and where do we need to be actually targeting our response to? There is actually a long time period for a number of these mines under their existing planning approvals, and we think it's really important that we target that support that we're providing to communities appropriately.

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Ms ABIGAIL BOYD: Are you considering the increasing levels of automation and, I guess, job losses in a lot of these coalmines as time goes on, even when they're not closing? Is that data coming into those decisions?

The Hon. COURTNEY HOUSSOS: I did visit a coalmine last year that was doing some really innovative stuff around automation. That was actually going into an old coalmine, but, sorry, that's a bit of a tangential example.

Ms ABIGAIL BOYD: But just in terms of projected jobs numbers?

The Hon. COURTNEY HOUSSOS: I'm not sure. Maybe the deputy secretary could provide it.

GEORGINA BEATTIE: I can jump in there. We review job numbers regularly, and the data that we find the most reliable is from Coal Services. It updates its data every year. But we are also in regular discussions with the mines around their plans for the future, and through the work of the Resources Regulator, we have a close eye on the workforce as well from a safety perspective. But as the Minister said, there's a lot of work going into building the evidence base around forecasting what's going to happen in these regions. It does vary by region. The consent conditions are an important part of that, but, ultimately, companies can make commercial decisions that can be linked to operational challenges as well at mine sites—but really looking at it as a region and working closely with other parts of government as well. As you know, there's planning, regional planning, economic opportunities at other sites within regions, post-mining land use and what happens at sites once mines close. There's a whole range of work that we're doing to try to map out what the future could look like.

Ms ABIGAIL BOYD: One of the other, I guess, concerns about not having transition authorities in place already is in relation to the drainage of talent away from green energy. In an ideal transition, we're talking about both sides of that decarbonisation, and there have been concerns raised by unions and others talking about a lot of these existing workers being sort of attracted or dragged into other industries like—one of my bugbears—weapons manufacturing instead of being deployed into green energy jobs, because there's not that sort of overarching planning in terms of their skills transition and development, particularly out of the coal-fired power stations where a lot of those engineering skills are easily upskilled and taken over to other green energy jobs. Is there any work being done on that in the meantime to ensure that we're actually transitioning those workers and not letting them go to other competing industries?

The Hon. COURTNEY HOUSSOS: I'm not sure. We talked about weapons manufacturing last time. You might have some more questions for me. The point you make around mapping skills is really important. That's certainly something that we've been talking about with our Federal colleagues. I think that's the first step. The first step for me, sorry, was to map the mines. What are their existing planning consent expiry dates? What are the jobs that are associated with them? What is the actual time frame? Let's get some data first. The next step is then to say, "Okay, we know the raw numbers, but what are the skills behind those raw numbers?" Again, we don't want to be duplicating the work. If the Federal Government is doing it and prepared to fund it, then let's use that to inform us as well, and we're having lots of discussions at both a ministerial level and also a departmental level to enable that to happen. You might want to come back to that with the deputy secretary this afternoon.

In terms of the planning element of that, planning with a capital "P" and also a lower-case "p" is really important. I met with the Mayor of Muswellbrook either last week or the week before. He made the great point—and I am looking forward to seeing the report of the upper House inquiry into post-mining land use and what they come up with—that we want those jobs to be on that site, but there isn't going to be a clean handover. There are some shoulder industries that we need to put in place during that time. That is a new element of the planning conversation that we need to be having and there is some more work that we need to do. But the skills mapping is crucial. If we know that it is a specific set of boiler-making or engineering skills—whatever it is—how can we map them into a green energy opportunity or another manufacturing opportunity? Then the next step is, how do we then bring those businesses to those regions? There is a lot of data that needs to be collected and brought together and then we can start to have some really good conversations.

Ms ABIGAIL BOYD: In terms of timing—again, noting what you've said about the Federal Government piece—what are you thinking in terms of contingency planning if Labor does not get re-elected at a Federal level and we don't end up with Federal transition authorities? Are we ploughing on with the State ones?

The Hon. COURTNEY HOUSSOS: I am not sure I am contingency planning for that at this point. I have had multiple conversations just this year with my relevant Federal colleagues and I think we have got some more scheduled so we can get some things in place sooner.

Ms ABIGAIL BOYD: Have you got any plans in terms of revenue raising? I know that the Opposition and Labor both love talking about no new taxes, so I might lay off all of our multiple requests for new taxes that we keep making every budget, and just look at the fact that New South Wales is quite behind in terms of the way

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it structures a lot of its existing taxes. I say behind because when I look at the interstate comparison of taxes report, which I love and look at all the time—

The Hon. COURTNEY HOUSSOS: I have actually looked at that document myself on several occasions.

Ms ABIGAIL BOYD: There is a bunch of taxes where we just do not tax to the same extent that other States and Territories do. It seems like an obvious way for us to raise more revenue. I am thinking about things like the progressive rates for payroll tax. For our luxury motor vehicle duty, we have got a relatively flat structure and a lower overall rate compared to other States and Territories. Just by following Victoria and other locations like that, we could actually make a significant increase in our revenue by just tweaking a lot of the tax bands.

The Hon. COURTNEY HOUSSOS: I noticed the shadow Treasurer's ears pricked up when he heard that.

Ms ABIGAIL BOYD: I am sure. But if we put the nonsense of no new taxes to one side, and we talk about tweaking the existing ones, is that something that you have been doing any modelling on?

The Hon. COURTNEY HOUSSOS: I am not sure that I would say the "nonsense of no new taxes" when I refer to the election commitment that the Treasurer made and that we are committed to delivering and are continuing to deliver in relation to no new taxes. I would say we do keep a close eye on it. As I said, I have personally read that document. I know the Treasury secretary might be able to provide you with some broader things, but the best person to talk to specifically in relation to interstate comparisons would be Deputy Secretary Wilkie, who is coming this afternoon. Is that within your remit, Mr Smythe?

CULLEN SMYTHE: No, Minister, I don't think so.

The Hon. COURTNEY HOUSSOS: We certainly keep a close eye on it. We also understand that from a business perspective, it makes more sense if we can harmonise as much as possible across the country.

Ms ABIGAIL BOYD: It does. I get cranky at the no new taxes idea because I feel like it is ignoring the fact that the Government has a responsibility to distribute in a more effective way. If there are existing taxes that are more generous to the wealthy amongst us, while those who are less fortunate are subject to basically higher proportionate taxes, then that would be a smart thing for a Labor government to be smoothing out. Are there any plans at all to change the way that a lot of these basic taxes are levied?

The Hon. COURTNEY HOUSSOS: I like to refer often to the analogy that the Premier makes, which is that when you come to government, you don't inherit a clean slate; you inherit a half-finished jigsaw puzzle. Your responsibility is to work out which parts of the jigsaw puzzle you're going to build on and which parts you're going to keep. It occurred to me this morning that there's another part: You've also got to test the jigsaw puzzle because sometimes the person who has been doing the jigsaw puzzle has jammed the parts in that don't really fit together, and you only discover that when you're actually testing it yourself. I think, more broadly, I would say that we are always looking at ways to make our tax system more efficient.

We take our election commitment in relation to no new taxes seriously. We have made some values-based changes to our taxation system since coming to government. The most obvious example of that would be the Bulk Billing Support Initiative, the first intervention from a New South Wales Government in relation to support for bulk-billing. Now that the Federal Labor Government has made announcements in relation to bulk-billing support indexation and incentives, I'm hopeful that that's actually going to deliver some real changes. But we're not ruling out—we keep a close eye on what's going on, is what I would say.

The Hon. DAMIEN TUDEHOPE: Last time we were discussing Mr Tsihlis, you indicated that the best of your understanding was that he no longer had any association with Foton Mobility Distribution.

The Hon. COURTNEY HOUSSOS: That's my recollection, but if that's not accurate I will correct the record immediately.

The Hon. DAMIEN TUDEHOPE: Did someone tell you that?

The Hon. COURTNEY HOUSSOS: I would say that I have read a large amount of briefings as a result of you raising serious allegations in the Parliament about a specific individual. I think there was even an article in the AFR about that particular individual earlier this week that I saw. My understanding was that he is no longer associated with the group that the New South Wales Government is procuring from. But if that's not the case, I will correct the record.

The Hon. DAMIEN TUDEHOPE: Good, I might have a look at that. I just want to sum up where we've got to. Minister, you made a statement in relation to the delivery of the new facility at Nowra, and you issued your

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media release. In circumstances where there are now allegations relating to slave labour, tax defaulting, phoenixing, work health and safety convictions, and potentially other security concerns that I may raise with you later, will you withdraw your glowing assessment of the awarding of that contract?

The Hon. COURTNEY HOUSSOS: I spent a bit of time in opposition, and that's called a sum-up question. What I would say is that you have raised serious allegations that we are investigating at the moment, and I will take action, if required, as a result of those allegations. I maintain my commitment to spending more of our government procurement dollars here in New South Wales and implementing a robust system that allows that to occur. If you have genuine feedback and ways that we can improve that, Mr Tudehope, I'm happy to take that on board. I'm happy to hear that feedback, because the system that we inherited from you, and the lack of action and the deliberate decisions to offshore contracts over more than a decade, means that we have a lot of work to do. If this is another road to Damascus conversion that you've made since you've gone to Opposition, I'm happy to take the feedback on board. We'll investigate the allegation and if we need to make changes, we will.

Ms ABIGAIL BOYD: Minister, your Government is not particularly good when it comes to your ministerial disclosures in terms of detail. I can't help but note again—and we did raise this at the last estimates as well—that your disclosures are not particularly fulsome. There are things that just say "round table", "portfolio matters" or "meet and greet". Noting full well that the rest of Cabinet is not particularly better, will you lead the way by putting a bit more detail in? These have less detail than what we used to get from the Liberals.

The Hon. COURTNEY HOUSSOS: I make all of the disclosures that I'm required to make, and I do them in accordance with the guidelines that are in place. My understanding is that the guidelines are the same as previously. If you've got specific questions about any of the meetings that are in my ministerial disclosures, I'm happy to talk to you about them, either here or there's a range of accountability forums that we have within the Parliament. I'd make this point: I try and meet with, across the broad range of portfolios that I have, a range of different stakeholders and hear perspectives. There are, obviously, limits to my time and my ability to do that, but I genuinely believe that we don't have a monopoly on good ideas and that the best public policy is formulated in consultation with the people who are affected by it. So I try and listen to a broad range of voices. But, if you've got a specific question about—

Ms ABIGAIL BOYD: I agree with that. That's why I think it's a shame that we don't have any detail as to what you're meeting in relation to. Some of your colleagues put in actual information as to which portfolio it is, what the round table's in relation to, whether it's a particular policy development. They put that information in. Not many of them, but some of them do. Yours are particularly thin on the ground. If you could just add a little bit more detail, it'd be incredibly helpful.

The Hon. COURTNEY HOUSSOS: I said earlier that frank feedback is good feedback. I'll take that on board. Thank you.

The Hon. STEPHEN LAWRENCE: Thank you, Minister. In light of, obviously, a lot of concern about events up north, I was wondering if you could give the Committee an update on Government preparations for landfall of Tropical Cyclone Alfred.

The Hon. COURTNEY HOUSSOS: Thank you very much, Mr Lawrence. It's a really important question, and I think the State broadly but definitely the Northern Rivers community and the Government is very much focused on Tropical Cyclone Alfred and making preparations. I would say that the Government broadly is making a range of preparations. I know, speaking to the different departments that I work with, they're making specific preparations. I'd encourage the community to follow the advice of emergency services, prepare to evacuate when told, and I also just acknowledge that that particular part of the State has had a really tough few years, and to have to confront this again so soon is certainly the reason why the Government's focused on it, the Premier is absolutely focused on it. I ran into the emergency services Minister yesterday as he was making his preparations, as well. This is a really difficult time for the community, and we're taking some very specific steps.

Like I say, more broadly, we're working on it. I had a specific conversation yesterday with the deputy secretary, and I'll probably just pass to him just for a really brief update. I would say the sad consequences of having so many of these really difficult circumstances in recent years is that they know how to kick into action, and so there's a range of things that they've got ready, to get out of the way initially and just make sure that the community is best supported during this difficult time. But I might just pass to the deputy secretary.

SCOTT JOHNSTON: Thank you, Minister. Revenue NSW, in the immediate time when a disaster is occurring—absolutely, our role is not to cause further angst, aggravation. So, as information comes through to us—and we're connected into the most current data—we pause all activities connected to issuing assessments, compliance actions, debt collection and issuing fines. And we have systems and processes in place so that anything

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that slips through the cracks—a camera might still be issuing fines—we catch it before distributing to affected people.

Similarly, people can be affected—their property can be affected—in these times that have ongoing impacts to their ability to meet debts, be it land tax obligations, payroll tax, duties, affairs. We'd encourage anyone affected to contact us. We've got staff trained and ready to give tailored solutions to people that need it, and we're ready to support however we're needed. In past disasters we have also worked very closely with Service NSW in supporting their administration of grants, working with my colleagues at Service NSW, whether there's any capacity, support they need to pivot to provide the most current and useful and helpful support.

The CHAIR: Thank you very much for that answer. We will now break and reconvene at 11.15 a.m.

(Short adjournment)

The CHAIR: Welcome back, everyone. We'll now recommence with some more questions from the Opposition.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Hon. COURTNEY HOUSSOS: Again, I'm just going to work through the—you've asked me a series of questions now without allowing me to give you an answer. Do you want to ask me one specific question?

The Hon. SARAH MITCHELL: You had a meeting—

The Hon. COURTNEY HOUSSOS: The problem is you asked me a question with a premise that was incorrect, which said that it was on—

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The Hon. SARAH MITCHELL: So you didn't have a meeting with those individuals?

The Hon. COURTNEY HOUSSOS: No, I did have a meeting, but you're telling me that it was on 6 November. I've got my ministerial—

The Hon. SARAH MITCHELL: No, 6 October.

The Hon. COURTNEY HOUSSOS: Yes, 6 October.

The Hon. SARAH MITCHELL: That's the information that we have from your ministerial diary.

The Hon. COURTNEY HOUSSOS: The ministerial disclosure that I've got sitting in front of me doesn't say that date. So I'm just saying that if you want me to provide you—

The Hon. SARAH MITCHELL: What I'm saying to you is—

The Hon. COURTNEY HOUSSOS: —with an accurate answer—

The Hon. SARAH MITCHELL: Surely you recall this—

The Hon. Dr SARAH KAINE: Point of order—

The Hon. SARAH MITCHELL: I mean, you know you've met with them. I'm trying to ask you about the meeting.

The CHAIR: Order! A point of order has been taken. I think I know what it is.

The Hon. Dr SARAH KAINE: Could we afford the Minister the opportunity to actually answer the question. I think she was actually just trying to seek clarification that she was going to answer the question about the correct meeting. I ask that we afford her that opportunity.

The CHAIR: Yes, let's give our witnesses the opportunity to answer. You have plenty of time, Mrs Mitchell.

The Hon. SARAH MITCHELL: I've got a lot of questions.

The CHAIR: I'm sure you do, but just give the Minister a bit more time to answer, please.

The Hon. SARAH MITCHELL: Have you met with Mandala Partners and the Australian biodiversity climate foundation more than once that you can recall?

The Hon. COURTNEY HOUSSOS: I don't I think I met them more than once. I think I just met with them once.

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

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

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

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

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

The Hon. COURTNEY HOUSSOS: No, but—

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

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

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

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

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The Hon. SARAH MITCHELL: It was just about what you talked about. But if you take that on notice, that's great. I've got many more things I need to ask you, Minister. Taking it on notice is fine. I know you just made the point about not being the main portfolio Minister. As a shareholder Minister, does the native forestry industry have your 100 per cent support?

The Hon. COURTNEY HOUSSOS: I'd say that, as a Minister in the Government, with an industry that's a key contributor to the State's economy, we understand the importance of the role. We have got some election commitments. You raised the Great Koala National Park, and we've got some election commitments in relation to that that the portfolio Minister and the Minister for the Environment are working through. I would say that the forestry industry is an important part of the State's economy.

The Hon. SARAH MITCHELL: I want to take you to Royalties for Rejuvenation, which I've asked you about at previous hearings. As of today, can you tell me what is the current balance for the Royalties for Rejuvenation Fund?

The Hon. COURTNEY HOUSSOS: I think I can, if you will just give me one moment. The Royalties for Rejuvenation Fund is a fund that was set up under the previous Government. Broadly, I would say we continued our commitment to continue to put, I think, off the top of my head, \$25 million each year towards supporting the coal-reliant communities. The most recent data I have here at 30 November is \$107.4 million. That's the most up-to-date information we have.

The Hon. SARAH MITCHELL: You just mentioned \$25 million per year. Will there be \$25 million deposited on 1 July this year?

The Hon. COURTNEY HOUSSOS: I'm advised that the fund is paid each financial year and that it's deposited after the budget is handed down.

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

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

The Hon. SARAH MITCHELL: That would be great if you could take on notice what date either you or the department received the correspondence and whether or not you gave a formal reply back. There's also \$2.5 million of the \$25 million, I'm told, allocated to operational expenses each year. How much was spent on operational expenses in the last financial year?

The Hon. COURTNEY HOUSSOS: That's a specific question that might be best answered by the deputy secretary. While she brings up her notes, I might make a point about the answer that I gave to Ms Boyd earlier in relation to our future jobs and investment authorities. I said we're doing a body of work to establish what our model should be. It's a big body of work. That's one focus of the funding that we're receiving through that. As part of that work, we have actually set up a dedicated team across government to drive economic development and job creation in the regions. While we finalise the model, we are continuing to do the foundation work for those.

The Hon. SARAH MITCHELL: Sure, I'm just really keen for the operational expenses.

GEORGINA BEATTIE: Sure, I can answer that question for you. Just to clarify, it's the operational expenses from the \$2.5 million?

The Hon. SARAH MITCHELL: Yes.

GEORGINA BEATTIE: The year to date is \$252,600, and that is largely spent on staffing costs.

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

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

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

The Hon. SARAH MITCHELL: Thank you, Mr Coutts-Trotter. I would appreciate that. Minister, I've raised this with you before, I guess the concern from mining-impacted communities is that—I think you said—

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there is \$100 million-odd sitting in that fund; it's not being spent in any real way for communities that will need to transition. Why is it just in a holding pattern? Why are we not seeing the benefits of that fund flow out into the community?

The Hon. COURTNEY HOUSSOS: I don't accept the premise of your question, which is that it's just in a holding pattern.

The Hon. SARAH MITCHELL: Were you spending any?

The Hon. COURTNEY HOUSSOS: I don't accept the premise of your question that the work that we're doing with coal-reliant communities is that we're in a holding pattern. We are continuing to work in partnership with these communities. I outlined in great detail to Ms Boyd earlier about the work that we've undertaken. We inherited a fund, albeit with a little bit of money from your Government. What we didn't inherit was a plan for the future, and that is what we are developing in partnership with local communities.

The Hon. SARAH MITCHELL: I accept that you've got your future jobs and investment authorities that you're setting up, which you talked about before, but the expert panels that were in place under the previous Government—and I think you thanked them in the last estimates hearing—are they still in place at the moment?

The Hon. COURTNEY HOUSSOS: I think we've paused the panels at this point. I heard you—

The Hon. SARAH MITCHELL: Are the chairs and the members still being paid?

The Hon. COURTNEY HOUSSOS: You scoffed earlier when I used the jigsaw analogy that the Premier uses in relation to—

The Hon. SARAH MITCHELL: This isn't about me, Minister. I accept it's the right of a new government to change direction; I'm not arguing that. I'm asking you, are the panel chairs and members of the previous expert panels—of the old framework—still being paid? That is my question.

The Hon. COURTNEY HOUSSOS: My understanding is, yes, they are being paid.

The Hon. SARAH MITCHELL: They've been paused, but they're still being paid?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. SARAH MITCHELL: What are they being paid to do? Are you utilising their expertise? How much is that costing the Government for them to be paid while you're doing this transition work?

The Hon. COURTNEY HOUSSOS: Again, you've asked me a series of questions. Do you want to ask me one and I can answer that?

The Hon. SARAH MITCHELL: What are they doing and what are they being paid for if you've paused their role?

The Hon. COURTNEY HOUSSOS: Again, as I was saying earlier before you interrupted me, the system that we inherited was these expert panels. It's worthwhile noting that these expert panels were rolled out in the midst of a pretty contentious by-election campaign by your Government. I felt a responsibility, as an incoming Minister, to check the system that we'd inherited—pressure test it, so to speak. Indeed, I have particular constraints in relation to these panels that are established through legislation. We put a lot of work, as I outlined to Ms Boyd earlier, into developing our proposed model for our future jobs and investment authorities. We went out to the community and we received a lot of feedback. We received over 90 submissions. We took the time to take that feedback onboard and we released a summary of that feedback in December. The work on our future jobs and investment authorities is continuing but the system that I inherited from your Government, which, I have to say, I'm not a fan of—

The Hon. SARAH MITCHELL: You don't have to be.

The Hon. COURTNEY HOUSSOS: —is enshrined in legislation. Before we make legislative changes, I'm going to engage with the community to actually say, "This is what it looks like for the future."

The Hon. SARAH MITCHELL: Thank you. So that I can be crystal clear, you are looking to introduce legislation at some point to overturn the Royalties for Rejuvenation program and implement your new model?

The Hon. COURTNEY HOUSSOS: You just, again, drew a pretty long bow from what I said.

The Hon. SARAH MITCHELL: You said you're wanting legislative change, Minister.

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The Hon. COURTNEY HOUSSOS: No, I said that the system that I inherited is enshrined in legislation and, therefore, they have to get paid. We are in the process of developing our model and when we are ready to introduce our model, then I'm happy to forward you the press release.

The Hon. SARAH MITCHELL: Sure, but you would have to then change legislation, presumably, to get rid of the old panels. Is that what you're saying?

The Hon. COURTNEY HOUSSOS: No, I'm not ruling—

The Hon. SARAH MITCHELL: Okay, that's fine.

The Hon. COURTNEY HOUSSOS: I don't have an announcement in relation to this today.

The Hon. SARAH MITCHELL: I'm not asking you to announce. I guess—

The Hon. COURTNEY HOUSSOS: I'll telling you about—

The Hon. Dr SARAH KAINE: Point of order—

The Hon. SARAH MITCHELL: Seriously?

The Hon. Dr SARAH KAINE: Yes, seriously.

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

The Hon. Dr SARAH KAINE: Ms Mitchell continues to talk over the Minister after she asks her a series of questions. The Minister's answering. Ms Mitchell, whatever the tone of incredulity, it's still rude to speak over the Minister when she's trying to answer.

The CHAIR: Yes, let's treat all the witnesses with respect and courtesy at all times and try not to talk over them.

The Hon. SARAH MITCHELL: Minister, when will money from that \$100-odd million fund that's sitting in there start to flow out to mining-impacted communities?

The Hon. COURTNEY HOUSSOS: Once we've finalised our model.

The Hon. SARAH MITCHELL: Do you have any indication as to a time frame for that?

The Hon. COURTNEY HOUSSOS: As I said to Ms Boyd earlier, we released a summary of the consultation that we had received in December. We are going to make an announcement about that model when we are ready to. But the work that we are undertaking at the moment is engaging with—and, indeed, I personally am continuing to engage with—my Federal counterparts to seek funding for this really important initiative, and one that the Federal Government is committed to as well.

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

The Hon. COURTNEY HOUSSOS: The question in relation to the power outage at Broken Hill—this is a really serious issue, and you would be aware that the entire Cabinet travelled to Broken Hill. I met directly with a number of the mining companies who operate in Broken Hill to hear about the consequences for them and for the workers and for the businesses. I'd say that the mines themselves played a really important role in those days immediately after the power outage. There were some issues in relation to the power supply that the energy Minister is probably better placed to provide you with the technical details of. But the mine really pitched in to help, in what was a really difficult situation, to alleviate some issues in relation to the energy network out there at the time. You asked me a specific question about the economic modelling.

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

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

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

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

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

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

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

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

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

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

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

The CHAIR: Order!

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

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

The Hon. COURTNEY HOUSSOS: I'd say it is a really serious issue. That's why the entire Cabinet went out there and got briefed by the local member, Roy Butler. I met with workers who had been affected by the power outage. I met with the mining companies. The entire Cabinet had meetings and heard about the impact. I'd say that the financial impact on those companies from immediately shutting off the power to enormous operations was very significant. In relation to the specific impact on royalties, I'm happy to take that on notice and we can come back to you. I'm not sure whether we would have that kind of specific—

The Hon. SARAH MITCHELL: If you can take on notice whatever you can provide, that would be fine. Sticking with Broken Hill and Cobalt Blue, I'm told they wrote to you in October last year asking for urgent government support as fixed-term contracts relating to their Broken Hill centre will end on 31 March this year. Do you recall that correspondence?

The Hon. COURTNEY HOUSSOS: Yes, I actually met with Cobalt Blue when I was in Broken Hill. I'd also acknowledge, again, they've written to me on several occasions. The local member—Roy Butler, again—has raised the issue of Cobalt Blue with me. They are seeking a direct government grant to continue their operations, I believe. That is not something that New South Wales Government has funding for at this point in time. We are looking for some alternative sources of funding across different government grants programs for them, but it's a really difficult situation that they find themselves in as a result of the international commodity prices for that product.

The Hon. SARAH MITCHELL: But, Minister, surely you'd appreciate—you spoke earlier in the hearing about the importance of critical minerals. You've got a company asking for help. They've got 26 days until they get those fixed-term contracts. People will lose their jobs. To be clear, there's no support that the New South Wales Government can provide to that company. Is that correct?

The Hon. COURTNEY HOUSSOS: I don't agree with the premise of your question. I would say that we have encouraged them to apply for the Regional Development Trust, which is the appropriate place to provide them with funding. We absolutely understand the importance of critical minerals projects. That's why we released an updated critical minerals strategy last year. That talks about the opportunities. The focus of our critical minerals strategy is now in relation to a \$250 million royalty deferral program that is designed specifically to provide targeted support to projects as they try to get off the ground. I've met with the company on multiple occasions and encouraged them, and I understand they have applied for the Regional Development—

GEORGINA BEATTIE: I'm not sure.

The Hon. COURTNEY HOUSSOS: Sorry, I'm not sure they have, but I certainly know we provided them with that information.

The Hon. SARAH MITCHELL: It's a bit of mixed message when you're wanting to support new companies but existing companies want support and it's not available. That doesn't seem to make a lot of sense.

The Hon. COURTNEY HOUSSOS: We absolutely want to be able to support critical minerals projects. Indeed, I opened a new mine just last year out in Cobar. But ultimately the mine's success and failure will be determined by international commodity markets. It's not going to be determined by individual grants programs. We engage with these companies; we offer them support where appropriate. But that's what is going to determine the ultimate success and failure of most of the projects.

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

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

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

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

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

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

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

MICHAEL COUTTS-TROTTER: Yes.

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

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

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

The CHAIR: Does Revenue NSW conduct the audits of the collection of that tax?

SCOTT JOHNSTON: No, that's Liquor and Gaming.

The CHAIR: You have no role in reviewing the compliance of the licensed betting service providers with the POCT under the Act.

SCOTT JOHNSTON: That's correct. That's not our function; that's Liquor and Gaming NSW.

The CHAIR: Thank you, I will raise it with them.

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

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

Ms CATE FAEHRMANN: Was that on a public discussion paper?

The Hon. COURTNEY HOUSSOS: Yes, we released a public discussion paper, I think, on that one.

GEORGINA BEATTIE: Yes, we did. Usually, when you ask for submissions, you'd need to have it upfront if they're going to be publicly released. When we called for submissions, that was not there, so we'd have to go back to every individual submission to check that they'd be happy to release their—so what we've done instead is a summary, and that obviously informed the final strategy.

Ms CATE FAEHRMANN: Is that the department's reason that that sentence wasn't there in the original call for submissions? Is that the department's reason?

GEORGINA BEATTIE: There were a number of consultations that were done—different methods. It was the round table and it was the submissions, and that was all summarised and informed the final strategy.

Ms CATE FAEHRMANN: The Federal Critical Minerals Strategy process was very transparent. I had a look at it the other day and there are 82 public submissions—very extensive submissions—and a summary of

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those submissions to be able to justify where the Government landed. Minister, do you think, in the future, for things like this—this is a critical minerals strategy, but I'll ask you soon about the statement on coal, for example—and for other policies that submissions should be publicly available? Is that a principle that your Government stands by? Transparency?

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

Ms CATE FAEHRMANN: How many submissions were received?

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

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

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

Ms CATE FAEHRMANN: Let's go back to that. So 36 is not that many—just in the spirit of transparency, if it was because of that clerical error—to mirror what the Australian Government has done and contact them and say, "Sorry, we failed to check that this was okay to go public. Are you okay with your submission going public?" You know how it works with Legislative Council inquiries, Minister. Most people are fine with their submissions being public and, if they want some information kept confidential, the Committee keeps that information confidential, including the whole submission. Will you go back to the 32 stakeholders to see if we can get those submissions public?

The Hon. COURTNEY HOUSSOS: I'm advised that that's a standard process in terms of the way the department operates, that if they call for submissions then they are normally kept confidential. It's not a parliamentary inquiry process; it's a process that is run through the department. But I take your feedback on board that there is a need for transparency.

Ms CATE FAEHRMANN: What do you think the difference is between a State natural resource department and the Federal, in terms of the Federal publishing 82 submissions and the State not? Why do you think there is that difference? Why does the New South Wales department get away with being less transparent on something like this? What's the excuse?

The Hon. COURTNEY HOUSSOS: You've just brought this matter to my attention. I wasn't aware that the Federal submissions were made public and the State ones weren't. I'll take the feedback on board.

Ms CATE FAEHRMANN: Just to be clear, Ms Beattie, instead of an error at that time it's now become department policy in the space of the five minutes of this question?

GEORGINA BEATTIE: It's not unusual to have a process where you receive submissions and you summarise those submissions to get to the final outcome, which was the strategy that was released. It's not a policy as such, but I would say it's quite a common practice across government that you don't necessarily publish every submission. It wasn't an intention to not be transparent.

Ms CATE FAEHRMANN: It's the purpose of my question, though, because governments have also published submissions to a huge range of policy reviews and to a huge range of discussion papers. The submissions are published. This Government doesn't tend to do that very much. I'm just wanting to get to the bottom of why it happened in this particular situation. But I've been told that this is largely what the department does for everything. Would that be fair?

The Hon. COURTNEY HOUSSOS: Yes. But you've brought the matter to our attention and I appreciate that. Thank you.

Ms CATE FAEHRMANN: What's the Government's definition of a "critical mineral"?

The Hon. COURTNEY HOUSSOS: You would be aware that the development of critical minerals is a relatively new process. Each State, and also the Federal Government, has a slightly different approach in relation

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to the critical minerals that they are prioritising. We looked at the Federal list. We looked at what are our comparative advantages here in New South Wales. The emergence of critical minerals is really the idea that there are specific, highly valuable minerals that we will have, particularly for future industrial uses.

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

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

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

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

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

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

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

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

SCOTT JOHNSTON: Yes.

Ms CATE FAEHRMANN: Minister, had you finished with the definition?

The Hon. COURTNEY HOUSSOS: I'd just say this. The minerals that we identified are particularly important for future industrial uses, particularly in relation to clean energy.

Ms CATE FAEHRMANN: The Australian Government definition, for example—I think most definitions of critical minerals—includes that they're vulnerable to supply chain disruption. Is that something that is in the New South Wales definition?

The Hon. COURTNEY HOUSSOS: In terms of the specific definition, I'm not sure. I did actually bring a copy of the strategy here today. I'm not sure if we actually do have a specific definition. I would say my understanding of critical minerals is that it has emerged in recent years, in response to specific industrial uses, that these particular minerals will be—and high-tech metals as well, because there is a range of them that are required. I make this point: I know that each jurisdiction has slightly different lists and that may stem from slightly different definitions.

Ms CATE FAEHRMANN: I managed to see part of one of the submissions to the strategy, which is from Australian Strategic Materials—this is in relation to the very unique situation of the New South Wales Government including silver on the critical minerals list. It says:

... Government should focus its efforts and policy on critical minerals that do not have established supply chains—

that is recognised in the definition of critical minerals in many other jurisdictions: vulnerable to supply chain disruption—

and therefore have more hurdles to production. A strategy which includes metal such as—

and that has been blanked out—

and silver, both of which have stable supply chains and hence have stable pricing and market maturity, may dilute the government's focus in promoting projects that are harder to bring to market.

That's the point, isn't it?

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The Hon. COURTNEY HOUSSOS: That was a long question.

Ms CATE FAEHRMANN: It is a long question but I just read the statement. It was a very short question at the end.

The Hon. COURTNEY HOUSSOS: You gave me a long lead-in, but let me just respond to a few parts. It's a submission from the ASM project in Dubbo, which is one that I am familiar with. I met with them at the International Mining and Resources Conference with my Federal counterpart, Madeleine King, last year, when they were here. They are an opportunity—that's a big project. It's a very exciting project. It was right for them to provide a submission to the critical minerals strategy. I think they were part of the showcase of projects that we held on the sidelines of the International Mining and Resources Conference to encourage investment in that project.

GEORGINA BEATTIE: Yes.

The Hon. COURTNEY HOUSSOS: Their view as a company is that we should be prioritising their particular minerals and critical minerals that they are promoting. It's appropriate that they provide that feedback. As a government, we take that feedback on board. We look across the rest of the State and then we make an assessment.

Ms CATE FAEHRMANN: Has the Government published a comprehensive analysis yet about how it came to determine which metals are critical and which aren't—again, like the Australian Government has, with the analysis behind that?

The Hon. COURTNEY HOUSSOS: Like this?

Ms CATE FAEHRMANN: That's the strategy. Is that in there?

The Hon. COURTNEY HOUSSOS: We did a lot of work in relation to our Critical Minerals and High-Tech Metals Strategy. It was a large body of work that we did. We certainly considered carefully which critical minerals and high-tech metals we put on the list. I know they are different to other jurisdictions, but that's because we make an assessment about our comparative advantage and what our best opportunities are for investment. That's certainly something that we considered as part of developing that strategy.

Ms CATE FAEHRMANN: I want to turn to a different issue in the time I have left, which is in relation to goldmining exploration licences. There are a couple of issues that have come up—I'll probably raise the second one in the next round of questions—that I have contacted your office about. The first is—and Mr Day would be aware of this—the individual Gabriel Govinda and the company Pinpoint Prospecting, which has three pending exploration licence applications near Forster, Maitland and Kempsey. There's another company, Historic Gold Mines, which has a pending application—maybe it has been granted now—for a licence near Coffs Harbour. In August the company was granted four mineral exploration licences—again, this is all largely gold—in Adelong, Young, Cooma and Oberon. This person, Gabriel Govinda, is the ultimate shareholder of Pinpoint Prospecting and Historic Gold Mines.

In 2022 he was convicted of these so-called pump-and-dump schemes. He pleaded guilty to 23 counts of market manipulation and there were 19 charges of illegal dissemination of information relating to manipulation. He was sentenced to 2½ years in prison. This was in 2023. He was released immediately on a good behaviour bond. Let's recognise that his behaviour in 2019 was before the law changed to ensure that there were maximum penalties for these offences of 15 years in prison. This has been published in the AFR, and I did an adjournment speech on this in Parliament. I understand the Resources Regulator has visited the landholders who were concerned about this. How can someone with a track record like Gabriel Govinda's be granted multiple gold exploration licences in this State, covering thousands of hectares of private property—people's land?

The Hon. COURTNEY HOUSSOS: I think you were perhaps asking Mr Day for a more detailed response in relation to those specific matters.

Ms CATE FAEHRMANN: Firstly, if you're aware of the situation, Minister, as well.

The Hon. COURTNEY HOUSSOS: I'm broadly aware that there are some regulatory issues in relation to those particular licences. I wasn't aware of the specifics in relation to the individual mentioned, but that's also why it's the responsibility of the Resources Regulator to make those assessments. I know that the regulator takes a proactive approach to risks, compliance and enforcement, but they are serious allegations that you're raising. Mr Day can perhaps provide you with a specific answer in relation to those.

PETER DAY: In regards to Pinpoint, we are investigating that matter in terms of the fit and proper person investigation. It's important to note that the person you're referring is not a director of Pinpoint; they're a shareholder. The onus for applications relies on the applicant providing all of the relevant information as part of

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that checking process. We are certainly looking at all of the information provided. The searches that we do are very much focused on the director level of those companies when they apply. He isn't a director of Pinpoint.

Ms CATE FAEHRMANN: We'll come back to that, Mr Day.

The Hon. DAMIEN TUDEHOPE: Minister, when was the last time you met with Stephen Cartwright?

The Hon. COURTNEY HOUSSOS: He was at a function that I attended at Business Western Sydney last month, from recollection.

The Hon. DAMIEN TUDEHOPE: Has he provided you with any briefings in relation to GoZero's involvement with Foton Mobility?

The Hon. COURTNEY HOUSSOS: No. I saw Mr Cartwright at a lunch that was organised—a roundtable discussion—with Business Western Sydney.

The Hon. DAMIEN TUDEHOPE: Do you recall visiting GoZero in November 2023?

The Hon. COURTNEY HOUSSOS: In November 2023, again, that was a function that was coordinated by Business Western Sydney. I had recently been sworn in as the Minister for Domestic Manufacturing and Government Procurement. As part of that lunch, I gave a speech about some of the challenges that we were facing. As part of that, I had the opportunity to look at one of GoZero's buses.

The Hon. DAMIEN TUDEHOPE: You were photographed on one of those buses, were you not?

The Hon. COURTNEY HOUSSOS: Yes, it was in Parramatta.

The Hon. DAMIEN TUDEHOPE: Did you meet Mr Tsihlis when you went out to GoZero?

The Hon. COURTNEY HOUSSOS: I just want to be clear, I didn't go out to GoZero. I went to a function that was organised by Business Western Sydney. As part of that function, they offered me the opportunity to see one of GoZero's buses. Mr Cartwright was there and we had a look at the bus. I can't remember if we went for a little drive or not but I know that I had the opportunity to see the bus as part of the visit.

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

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

The Hon. DAMIEN TUDEHOPE: Foton announced on Tuesday this week that it would shortly start—and I think I raised this with you earlier—advertising for 15 staff required to operate the bus assembly facility. Are you confident that these workers will be safe at this facility given the risks involved in handling lithium ion phosphate batteries, including their flammability hazard and potential toxicity?

The Hon. COURTNEY HOUSSOS: I'm sorry, are you talking about Foton advertising for jobs that are here in New South Wales?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. COURTNEY HOUSSOS: This is, again, a specific contract that's administered in another department. But I would expect that there's a robust work health and safety regime that you're welcome to ask the Minister for Industrial Relations questions in relation to.

The Hon. DAMIEN TUDEHOPE: Minister, is it your understanding that the basis on which the contract for the supply of 126 buses to the New South Wales Government from Foton Mobility Distribution will be to create new jobs in Nowra?

The Hon. COURTNEY HOUSSOS: That's my understanding. But, again, Mr Tudehope, if you have specific questions about that contract—

The Hon. DAMIEN TUDEHOPE: I'm coming to the specific questions.

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The Hon. COURTNEY HOUSSOS: If you have specific questions about that particular contract, I respectfully suggest that you ask those of the Minister for Transport.

The Hon. DAMIEN TUDEHOPE: It goes to your procurement policy, Minister.

The Hon. COURTNEY HOUSSOS: Okay.

The Hon. DAMIEN TUDEHOPE: Are you aware that job advertisements for "Assembly worker - bus interior parts" have been placed by another company owned by Neil Wang of Foton Mobility, namely KRW Hydron that has placed the advertisements for those workers?

The Hon. COURTNEY HOUSSOS: Sorry, are you asking me if I'm aware that there are job advertisements?

The Hon. DAMIEN TUDEHOPE: Yes. Yes or no?

The Hon. COURTNEY HOUSSOS: No, I'm not. Have you got a document that you're reading from there, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: It's a question I'm asking you.

The Hon. COURTNEY HOUSSOS: I'm just saying if you have a job advertisement there that you have concerns about—

The Hon. DAMIEN TUDEHOPE: It was a job advertisement on Seek.

The Hon. Dr SARAH KAINE: Point of order: I think it's a courtesy that if Mr Tudehope is referring to a particular document or website—

The Hon. DAMIEN TUDEHOPE: I'm not!

The Hon. Dr SARAH KAINE: You've just said you were.

The Hon. DAMIEN TUDEHOPE: I'm not!

The Hon. Dr SARAH KAINE: You've just said you were.

The Hon. DAMIEN TUDEHOPE: No, I said the job advertisement was on Seek. I'm not reading from the document.

The Hon. Dr SARAH KAINE: I think it's appropriate that we're furnished with that.

The Hon. SARAH MITCHELL: We're not obliged to give her anything.

The Hon. CHRIS RATH: To the point of order: It's an absurdity to suggest that every time that we would mention any type of information that we need to provide some type of document to be tabled. That becomes absurd at that point.

The CHAIR: Yes, I know.

The Hon. Dr SARAH KAINE: To the point of order: It allows the Minister to answer the question if she's furnished with the information so that she can actually provide a legitimate answer on the basis of the question being asked; otherwise, either it's a stunt or Mr Tudehope doesn't want the answer.

The CHAIR: Order! I do not uphold the point of order. It would be completely dysfunctional if members had to provide all documentation to witnesses every time they asked a question. If the Minister really does need that document tabled before she can answer or doesn't trust Mr Tudehope's rendition of the document, then she can say so.

The Hon. DAMIEN TUDEHOPE: Minister, are you aware that KRW Hydron was set up by Hydron Australian, a subsidiary of Hydron Inc, which was set up in the United States and China by Terry Mo Chen?

The Hon. COURTNEY HOUSSOS: No, I'm not aware of that specific company's—

The Hon. DAMIEN TUDEHOPE: And that Neil Wang—

The Hon. COURTNEY HOUSSOS: I'm not aware of the specific company that you're referring to. Do you have a specific question in relation—

The Hon. DAMIEN TUDEHOPE: I was just asking whether you are aware. The answer was no.

The Hon. COURTNEY HOUSSOS: No, I am not aware of the finer details.

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The Hon. DAMIEN TUDEHOPE: Are you aware that Hydron Inc and Terry Mo Chen's other company, TuSimple, have been implicated in economic espionage involving an illegal transfer of technology in breach of the US Foreign Investment Risk Review Modernization Act?

The Hon. COURTNEY HOUSSOS: No.

The Hon. DAMIEN TUDEHOPE: Minister, what about attempted—

The Hon. COURTNEY HOUSSOS: Just in order to answer your questions, Mr Tudehope, how are these—

The Hon. DAMIEN TUDEHOPE: I am asking you whether you are aware. I am putting a proposition to you. Are you aware? The answer was no.

The Hon. COURTNEY HOUSSOS: I am asking you specifically what—

The Hon. DAMIEN TUDEHOPE: I am asking the questions, Minister.

The Hon. Dr SARAH KAINE: Point of order—

The Hon. STEPHEN LAWRENCE: Point of order—

The CHAIR: A point of order has been taken. I am not quite sure who by—both of you at exactly the same time.

The Hon. Dr SARAH KAINE: I will start with mine and we can see how we go. Mr Tudehope's line of questioning seems to be very unrelated to anything. He seems to be unprepared to demonstrate how it is related to anything to do with the Minister's—

The Hon. DAMIEN TUDEHOPE: I'm coming to a conclusion.

The Hon. Dr SARAH KAINE: You keep peppering the Minister with questions about things that seem completely out of the scope of her portfolios. I think it is reasonable to ask Mr Tudehope to at least give the context as to why he's asking these questions so the Minister can answer.

The CHAIR: I'm not sure that is a point of order, Dr Kaine. Mr Tudehope, if you could provide the context and avoid the suspense, that would be best.

The Hon. DAMIEN TUDEHOPE: I will come to my next point and proposal. Minister, are you aware of the attempted illegal shipment of 24 A1000 NVIDIA chips into Australia by TuSimple, with concerns that the chips were destined for China, in breach of US law?

The Hon. COURTNEY HOUSSOS: I'm sorry, Mr Tudehope, you are asking me about something with acronyms in breach of US law?

The Hon. DAMIEN TUDEHOPE: I am putting to you that the company TuSimple sought to import chips from the United States, in breach of US technology laws—

The Hon. COURTNEY HOUSSOS: Sorry, they sought to import them to Australia?

The Hon. DAMIEN TUDEHOPE: Through Australia.

The Hon. COURTNEY HOUSSOS: Through Australia?

The Hon. DAMIEN TUDEHOPE: Yes.

The Hon. STEPHEN LAWRENCE: Point of order: I am unsure how this relates to the portfolio. I raise a relevance question.

The CHAIR: If you could come to the next question—

The Hon. DAMIEN TUDEHOPE: I come to the next question. You have praised the high-quality products to be delivered from Neil Wang's proposed facility in Nowra. Are you concerned about his close links with Terry Mo Chen, given the history of alleged breaches of US law by Mr Chen?

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope, these are quite serious allegations that you are raising here. If you have some documents to support them, I would be happy to have a look at them.

The Hon. DAMIEN TUDEHOPE: They are all on the public record, Minister.

The Hon. COURTNEY HOUSSOS: Where are they on the public record, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: They are on the public record. In your media release on the—

CORRECTED

The Hon. COURTNEY HOUSSOS: No, I'm sorry, Mr Tudehope, you have raised some allegations there that are serious.

The Hon. DAMIEN TUDEHOPE: I am asking the questions, Minister.

The Hon. COURTNEY HOUSSOS: I would like to be able to provide you an answer. But in order to provide an answer, I need you to provide me some more information.

The CHAIR: Just on that, if you could provide the Minister and the Committee some evidence of where they're available on the public record, that would be helpful, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Good. Thank you. Minister, your media release on 30 January 2025—

The Hon. STEPHEN LAWRENCE: Point of order: I am not sure if I understood the ruling correctly. I thought, Chair, that you were saying that Mr Tudehope should do that now.

The Hon. Dr SARAH KAINE: Yes, so we know what's going on.

The CHAIR: Yes, I was.

The Hon. STEPHEN LAWRENCE: The Minister has queried the question.

The Hon. DAMIEN TUDEHOPE: I will produce them shortly. I've got them upstairs. They are all on the public record. If you want me to photocopy them, I will provide that.

The CHAIR: Okay.

The Hon. DAMIEN TUDEHOPE: Minister, your media release on 30 January 2025 described Foton Mobility Distribution as an Australian-owned company. Is that correct?

The Hon. COURTNEY HOUSSOS: Look, I have to say, I can't find a copy of my media release amongst my documents here. I will have to take you on face value about that one.

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

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

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

The Hon. DAMIEN TUDEHOPE: Are you aware that the AFR reported on 27 February 2025 of a deal that will see United H2 Limited, or UHL, take full control of GoZero and its many subsidiaries from its majority owner Mr Tsihlis and Halifax Central? This includes EV truck maker Foton Mobility.

The Hon. COURTNEY HOUSSOS: I'm aware of that. I read the press release.

The Hon. DAMIEN TUDEHOPE: Are you aware of it?

The Hon. COURTNEY HOUSSOS: Yes, I read the press release.

The Hon. DAMIEN TUDEHOPE: So you're aware that GoZero will be wholly owned by a US company?

The Hon. COURTNEY HOUSSOS: You're asking me about whether I'm aware about the finer details of particular corporations and how they interact. The key thing that is driving our procurement policy is how we can be spending more of the money here in New South Wales, how we can be spending more of the money in Australia, and how we can be supporting local jobs and local businesses and local investment. I want to make this

CORRECTED

point really clear: That doesn't mean that foreign companies can't invest in New South Wales. Like I said, there are some recent developments at a Federal level that we will look at closely. We talked a lot about local content; we've talked about that in previous hearings here. This is policy that we are continuing to pursue a reform agenda on, but the key driving factor here is driving more local jobs, because we know that every local job in domestic manufacturing supports a further 3.5 in the supply chain. We want more of those jobs here in New South Wales.

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

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

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

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

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

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

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

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

The Hon. DAMIEN TUDEHOPE: Are you aware that CATL, the company making the batteries to be used in both Foton and Yutong buses, was placed on the US Department of Defense blacklist on 6 January 2025, as it was considered to be a Chinese military company?

The Hon. COURTNEY HOUSSOS: No, I wasn't aware of that particular blacklisting. I am aware that we do procure, as your Government did, from a range of different bus providers, some of which use those batteries.

The Hon. DAMIEN TUDEHOPE: Should the New South Wales Government be procuring goods made by a Chinese military company?

The Hon. COURTNEY HOUSSOS: I'd expect that the robust procurement process and due diligence process that we've covered extensively this morning would have checks along the way that would assess a range of issues to make sure that the products we are receiving are high quality.

The Hon. DAMIEN TUDEHOPE: Minister, previously I was asked to provide documents which supported a series of the matters which I have pointed you to. You have a ministerial office, don't you?

The Hon. COURTNEY HOUSSOS: Yes, I have a ministerial office.

The Hon. DAMIEN TUDEHOPE: Have they done any of this work in relation to the issues which I had raised in the Parliament and am raising with you today? Have they done any work relating to informing themselves and advising you in respect of potential issues with this contract?

The Hon. COURTNEY HOUSSOS: Have we taken the allegations that you raised in the Parliament seriously? Yes. I took them on board. Did I refer them to my office? Yes. Did we refer them to the relevant department that administers that specific contract? Yes. Are they investigating it at the moment? Yes.

The Hon. DAMIEN TUDEHOPE: Why would you be asking me to produce documents to inform you of all these issues which I am raising with you?

The Hon. COURTNEY HOUSSOS: Because you are raising specific allegations with me that I am taking seriously and I would like to action and make sure that we have followed up on. If you want to provide additional documentation, Mr Tudehope, that's within your purview, but it's also within my purview to ask you to provide them.

The Hon. DAMIEN TUDEHOPE: In view of the allegations, wouldn't it be something you would be asking your office to do?

The Hon. COURTNEY HOUSSOS: You've just asked me a series of questions that—

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The Hon. DAMIEN TUDEHOPE: In view of the allegations which are contained in some of the questions that I have asked you today, wouldn't it be something that you would be asking your office to do?

The Hon. COURTNEY HOUSSOS: You're now asking me a hypothetical question about how I get—

The Hon. SARAH MITCHELL: You just said your office was doing stuff on this. It's not hypothetical.

The Hon. COURTNEY HOUSSOS: You're asking me about whether I should do this. I'm saying, if you have serious allegations, I would like additional documentation.

The Hon. DAMIEN TUDEHOPE: I've made the allegations contained in the questions I've asked you. Will you be getting your office to, in fact, do the work—

The Hon. COURTNEY HOUSSOS: Yes, of course. That's what we did when they were raised previously. We've referred them to the department of transport. I'm trying to assist you here, Mr Tudehope. You're raising allegations, and I'm referring them to the relevant place that can provide you—

The Hon. DAMIEN TUDEHOPE: A point of order was taken to assist you, Minister, for me to provide you with documents—

The Hon. COURTNEY HOUSSOS: Mr Tudehope, it works best if I let you finish your questions, and then you should let me finish my answers. You have raised new allegations today. If you have documentation to support those allegations, I would encourage you to provide that to me here in this forum or separately to me or to my office. I just want to be really clear with you, though, Mr Tudehope. We will then—as we have previously—raise those with the department of transport. The individual contracts are managed within the individual departments of transport. As when we talked about modern slavery, there are different specific requirements across different departments, and they make those assessments, and they administer those contracts. As the Minister for procurement, my expectation is that they have robust probity and regulatory and diligence processes in place. And my interest is then seeing if there is a systemic problem that we need to solve, and then we will do that. I'm not going to rule that out today.

The Hon. DAMIEN TUDEHOPE: Let me summarise, in fact, the issues which I have raised with you, which should be the subject of procurement policy and which are highlighted by the contract which you were advocating for and became a cheerleader for—

The CHAIR: Order! That's not a question.

The Hon. DAMIEN TUDEHOPE: I'm summing up. I'm putting this to you, Minister. These are slave labour, tax defaulting, phoenixing, work health and safety convictions, sale to foreign companies, economic espionage, and defence and security concerns. In the circumstances that those concerns have now been raised with you, Minister, will you be conducting an investigation and reviewing the contract with Foton Mobility?

The Hon. COURTNEY HOUSSOS: As you have raised those allegations previously, that are currently being investigated, if there are new allegations which you have said to me—and I will take you on face value that you have raised new allegations today. We will refer those to the department of transport and investigate those—which is the appropriate place for the individual organisation that is administering the contract, that they will investigate it. I make this point, Mr Tudehope: These are significant and serious issues. So if you have additional information that you would like to provide through this forum or alternatively—

The Hon. DAMIEN TUDEHOPE: I put it all to you today.

The Hon. COURTNEY HOUSSOS: —then we will refer it to the appropriate place to be investigated. I want to make this really clear. You've raised concerns around modern slavery. This is something that we have a broad program of work on, that we are addressing. You have raised questions around tax evasion and financial arrangements of particular companies. My expectation as the Minister for government procurement is that individual departments have, as is appropriate, a risk-based approach to assess these contracts. If there are specific examples of that not working, I'm happy to take that on board and investigate those.

I will look at them; my office will look at them. Ultimately, the departments will be the ones that are appropriately placed to be investigating them and reporting them back. But the system of procurement that we inherited from your Government is one that we are already in the midst of making changes to and that we will continue to make changes to. One of the central challenges that we face is the lack of information that comes back into the procurement board. Now, I've taken some steps to address that. We have more work to do on that. But, again, Mr Tudehope, I would implore you, if you have additional information that you would like to provide, then please do that.

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

The Hon. SARAH MITCHELL: Someone is watching.

The CHAIR: Good afternoon, Bet365. Hello.

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

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

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

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

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

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

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

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

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

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

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

The CHAIR: I was testing it out.

The Hon. SARAH MITCHELL: It was research.

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

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

The CHAIR: Thank you very much, Secretary. Thank you very much, Bet365.

Ms CATE FAEHRMANN: I'm not sure if this has been asked this morning yet, Minister. What is the update in terms of the timeline for a new statement on coal—for this State to have a statement on coal that wasn't written by the National Party's John Barilaro?

The Hon. COURTNEY HOUSSOS: Yes, we have spoken about it previously; we haven't spoken about it today. This is something that we've commenced work on. That's underway. The first tranche of that work was in relation to mapping the existing coalmines that operate in New South Wales and their existing planning approvals, and that's something that we released in the future jobs and investment authorities consultation paper last year. I think that's going to be an important part of informing that work. The next part of the work is to work and utilise expertise from across government and make sure that the coal statement is reflective of the broader government principles. Certainly, those include our commitments to net zero. I expect that the coal statement will be informed by the upper House inquiry that's due in April, in relation to post-mining land use, and there's no doubt that the work that we're doing in relation to the future jobs and investment authorities will also form part of that.

Ms CATE FAEHRMANN: I assume for something like this there is a community consultation process as part of that before it's released?

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The Hon. COURTNEY HOUSSOS: I haven't made any announcements in relation to that yet. I shouldn't say "yet". I should say that I haven't made any announcements on that or any decisions in relation to that.

Ms CATE FAEHRMANN: You did say, in response to a question by the Chair, actually, in Parliament last year—I think it was around July—that, in relation to this, you want to be able to do that in consultation with the community.

The Hon. COURTNEY HOUSSOS: In relation to the work that we're already doing, we're doing it in consultation with the community. I have been out and spoken to all of the different—

Ms CATE FAEHRMANN: But this is specifically in relation to the statement on coal.

The Hon. COURTNEY HOUSSOS: I talk to the community, I talk to industry all the time and I talk to unions and workers about the industry all the time. I know the department does that as well. We have had a specific consultation program in relation to our future jobs and investment authorities, and we'll certainly continue to engage with the community. I'm just being specific. In relation to the coal statement and a specific consultation process, I haven't made any decisions or announcements on that.

Ms CATE FAEHRMANN: What is happening while there is a delay is that, of course, everything is taking place under the National Party's coal policy, clearly, in terms of approvals, decisions and directions for the market. Just recently in November, there was a market interest submission basically notifying the community to be able to comment on this. But Bengalla Mining Company applied to NSW Resources for an exploration licence, basically 11 kilometres west of Muswellbrook over an area of approximately 739 hectares. That's one. There are other mines, as you know, seeking massive modifications that should, in fact, be new applications. This is continuing. Are you happy with exploration licences for coal and potential new coalmines while we still don't have a new statement on coal?

The Hon. COURTNEY HOUSSOS: You've asked a long series of questions there in relation to exploration licence and also modifications to existing mines and brought them together. I want to be really clear: They are two separate things. Exploration licences are issued and assessed through NSW Resources. Modifications to coalmines are assessed through the planning system—

Ms CATE FAEHRMANN: Minister, they're all driven by the Government's policy on coal.

The Hon. COURTNEY HOUSSOS: Can I just finish?

Ms CATE FAEHRMANN: That's the question I'm asking. It's a policy decision. This is the thing. After you leave today, I won't be able to ask any of these people about that because it's your policy on coal. We know what the Net Zero Commission is saying in terms of the Government's policy at the moment in terms of coal and gas—coal particularly. It means all of the other sectors have to do so much more work. You did acknowledge in your statement before the net zero work and policy by your Government. I'm very aware of the difference with exploration licences being dealt with by the resources regulator, but if your Government set a strong statement on coal and said, "We're going to move to get out of coal and transition away from coal by this point or no new coal," which is even better, then it wouldn't matter. The Resources Regulator wouldn't be able to approve any more exploration licences, would they?

The Hon. COURTNEY HOUSSOS: You're finished? Okay, so let me just say—

Ms CATE FAEHRMANN: Every single question is a comment about how it's asked.

The Hon. GREG DONNELLY: Point of order: The Minister was answering the question and was being directly relevant. The member decided to cut her down and give a speech. I'm not sure that, after the speech, a question was asked. I think it's important that the question be very clearly put to the Minister so that she can provide a clear answer.

The CHAIR: I won't uphold the point of order. I think there was a rhetorical question in there and the Minister was about to answer. Minister, if you would be so inclined to answer.

The Hon. COURTNEY HOUSSOS: I refute a number of the assertions that you made in your statement leading into the question. The existing coal statement does remain in place. The point I made between the exploration licences and the modifications that go through the planning system is an important one. The planning Minister and the Minister for the Environment have written to the Independent Planning Commission and advised them that we have net zero targets.

If you have specific questions in relation to the assessment of coalmines in the planning system, then they are really questions for the planning Minister. We have made changes. We are in the process of updating the statement, but we have made changes and this Government has directed the Independent Planning Commission

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to take into consideration the targets that this Government has passed through the Parliament and that we have all signed on to. I don't accept your assertion that we're just operating entirely under the same framework and are blind to the fact that we have net zero targets. We are continuing the work to update the coal statement. It is something that is important and it's certainly a focus, but it's also going to be something that encompasses not just what we are doing within our department but more broadly across the Government as well.

Ms CATE FAEHRMANN: The timeline in relation to the statement on coal, when can we expect, roughly, to see a statement by the Minns Government released? Are we saying at the end of 2025?

The Hon. COURTNEY HOUSSOS: I just don't have an announcement on that today. I think I made it really clear in our previous conversations we weren't going to do that until we'd done the critical minerals strategy update. One thing I learnt through that process is that things take a little bit longer, so I don't want to mislead you and commit to a time frame today. I can tell you the work is underway and I've committed to doing it in this term of government.

Ms CATE FAEHRMANN: We'll go back to the questions, then, about Gabriel Govinda and Pinpoint Prospecting. Firstly, the question was, how does a person with that track record manage to be the main shareholder in companies that are behind multiple exploration licences in this State? Minister, I understand there's nothing like a fit and proper person test, for example. Is that correct?

The Hon. COURTNEY HOUSSOS: My understanding is that there are some fit and proper person tests that do apply as part of the assessment process.

Ms CATE FAEHRMANN: For exploration?

The Hon. COURTNEY HOUSSOS: But in relation to whether they're the shareholders or directors, and the finer details, I might pass to the deputy secretary.

GEORGINA BEATTIE: Under the Mining Act, when we assess applications for titles, we assess it in accordance with the applicant. There are clear processes that we use to assess the applicant and we do look at corporate, technical, financial and environmental compliance history. There is a fit and proper person test, but I think the distinction here is that we focus on the applicant. The matter that you've raised is about a shareholder. We have received complaints, as you are very aware of. I will hand over to Mr Day from the regulator, who then picks up from the Resources Regulator matters of complaints.

PETER DAY: There is a fit and proper test under the Mining Act. In relation to this matter, we've got a current investigation underway, so it would not be really appropriate to comment further on the Pinpoint matter, going forward. In terms of fit and proper, that is certainly what we're looking at in terms of this investigation.

Ms CATE FAEHRMANN: That's what you told *The Australian Financial Review*, who asked questions about this as well back in December—that there was an investigation underway and it would be inappropriate to comment. Since then Mr Govinda has given up any interest in the land that was the subject of the exploration licence that these two gentlemen—in fact, they just did a bit of a basic Google search, to be honest. They did a basic Google search and company records search and found this very, very interesting history.

That's what the AFR was told, but I'm interested in the process. If a landholder, who was concerned and they found out about a gold exploration licence was slapped down on their property near Gloucester at Bunya, was able to very easily find out—in fact, there was a previous story in the AFR about Gabriel Govinda and his pump-and-dump scheme—it's concerning, Minister, that the Resources Regulator doesn't inquire more deeply. Even if it's not the individual whose name is on the application, surely it requires a bit more work than that in terms of other associated companies and shareholders?

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

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

Ms CATE FAEHRMANN: Are you confident in the companies that are behind these gold exploration licences? From Mid North Coast, there are quite a few of them that all seem to be connected. Did you read that *Australian Financial Review* article in December, Mr Day?

PETER DAY: Yes, I did.

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Ms CATE FAEHRMANN: It had a lot of different connections there, and a lot of connections between a range of historic gold mines—Pinpoint prospecting, Trigg—all of which have holdings over at least tens of thousands of hectares of land that communities are very, very concerned about. Now we're concerned about whether the characters behind them are genuinely interested in taking care of the environment. Shouldn't the community know that these people are of sound character?

PETER DAY: As I said before, there's an investigation into that matter, and so there's a number of companies being looked at as part of that.

Ms CATE FAEHRMANN: Let's not talk about the investigation. What's the search process that your officers undertake?

PETER DAY: They'll do a company structure and then look at any sort of financial history of those individuals who are nominated on those forms, and also directors and secretaries, as part of that process.

Ms CATE FAEHRMANN: Of just the company—the individual who has applied on the form?

PETER DAY: On who's declared on the form by the titleholder itself.

Ms CATE FAEHRMANN: What if it's a one-dollar company? Are you satisfied with that if it is?

PETER DAY: The information in the form is what we go on, and then we make due inquiries.

Ms CATE FAEHRMANN: And then you?

PETER DAY: Make due inquiries on the information provided in the form, based on their technical financial history in terms of the names provided under that company.

Ms CATE FAEHRMANN: I'll come back to that. This question is about another company wanting to do gold exploration. This time it's Canadian-owned Australian Consolidated Gold Holdings. In April last year, the Resources Regulator granted approval for this company to explore the Macquarie Marshes for gold.

The Hon. COURTNEY HOUSSOS: Yes.

Ms CATE FAEHRMANN: Then on 25 July the Resources Regulator overturned the decision. They stated in a letter to the landholders of these proposed drill sites—Macquarie Marshes is internationally Ramsar listed and very significant environmentally—that the decision-maker, when making the decision, was not provided with all relevant and accurate information, therefore the decisions were not validly made. As such, both decisions to grant the APOs were not decisions at law and have no legal effect. So currently Australian Consolidated Gold Holdings has taken the regulator to the Land and Environment Court. Is that correct?

The Hon. COURTNEY HOUSSOS: I think there have been some recent developments in that case. I would also acknowledge that this is a highly sensitive environment. We've been monitoring that process closely. It is a matter for the Resources Regulator, and I think there have been some recent developments that we can—yes, I can tell you the case has been dropped.

PETER DAY: That matter has been discontinued in the Land and Environment Court.

Ms CATE FAEHRMANN: My question was going to be that it was interesting that the Government chose not to be represented in that case.

The Hon. COURTNEY HOUSSOS: I'm not sure about that.

PETER DAY: Sorry?

Ms CATE FAEHRMANN: Is that correct?

PETER DAY: ACGH were taking us to—they were appealing against the validity of the approvals. The matter was discontinued.

Ms CATE FAEHRMANN: I did hear that the Government failed to defend that case, and they gave notice that the Crown Solicitor didn't plan to defend the case in the Supreme Court. Is that correct?

PETER DAY: The matter was discontinued by ACGH and consented to by the parties. What we've got is that the company have reapplied for a variation of approval. The matter is under assessment as we speak. There's also still an investigation underway so, once again, I'm limited in what I can talk about in that regard.

Ms CATE FAEHRMANN: That's still a live issue, though, to be clear. The case has been discontinued. I understand that you were investigating as well. Resources regulator officers met the landholder onsite. Is that correct?

CORRECTED

PETER DAY: That's correct, as part of the investigation.

Ms CATE FAEHRMANN: The investigation is now into the company or is it the proposed exploration, when you say "an investigation"?

PETER DAY: The company is quite broad. We're still investigating the matters that were outlined last year. Investigations take time. There's also a variation of the application approval and that will probably be assessed under the Mining Act and also under the Environmental Planning and Assessment Act.

Ms CATE FAEHRMANN: Minister, do you think there potentially needs to be some kind of a review of our mining laws—the Mining Act and the regulatory environment—given that a gold company can apply for an exploration licence over an internationally listed, Ramsar listed wetland that is one of our most ecologically precious and sensitive natural assets in this State? Do you think our mining laws need to potentially be looked at to make sure that can't happen?

The Hon. COURTNEY HOUSSOS: I'm not going to make an announcement in relation to a broader review today. What I can assure you of is that we are watching this case very closely. My office and I have been briefed consistently on the developments, and we'll stay across it. We are very aware of the importance of this particular site, the international recognition that it has and that we need to be very, very careful. If there are broader implications, we will certainly look at those closely. I'm not announcing that today; I want to be clear. But we'll watch it closely. It's a special site and we understand that. Can I just provide a little bit of context on that? It is close to the Ramsar site, but the licence, I'm advised, is not on the Ramsar site exactly. If I was unclear—

PETER DAY: It's in close proximity to the Ramsar site.

The Hon. COURTNEY HOUSSOS: I just want to be really clear about what we're talking about.

The Hon. DAMIEN TUDEHOPE: Minister, you heard the evidence of Mr Day in relation to the background checks and work that is done in relation to mining licences. Would you expect the same sort of background checks to be done in relation to procurement contracts with the New South Wales Government?

The Hon. COURTNEY HOUSSOS: I think that there should be robust checks in place as part of procurement processes. I'd also expect that these are risk based and that they would have escalations in accordance with the size and complexity of the contracts.

The Hon. DAMIEN TUDEHOPE: A contract for 126 buses, for example, is a significant contract, is it not?

The Hon. COURTNEY HOUSSOS: Yes, that is a significant contract.

The Hon. DAMIEN TUDEHOPE: You would have expected those background checks to have been done in respect of a company that would be awarded a tender in relation to that contract?

The Hon. COURTNEY HOUSSOS: I would expect that there would be robust probity and regulatory assessments. As I said to you earlier, the bus panel 4 deed contains detailed provisions in respect of modern slavery, and Transport has actually incorporated additional questions related to modern slavery for all new zero emissions bus procurements under bus panel 4. I make this point, Mr Tudehope: The inquiry, which you were a member of, into procurement, which you ridiculed and dismissed at the beginning, made some really important recommendations in relation to the diligence checks that should be—

The Hon. DAMIEN TUDEHOPE: Point of order: The Minister ought to withdraw that suggestion that I ridiculed that inquiry.

The Hon. COURTNEY HOUSSOS: You asked me questions about why I had referred it to the social issues committee, and I said at the time that it was a clear decision by me—

The Hon. DAMIEN TUDEHOPE: That's not ridiculing.

The Hon. COURTNEY HOUSSOS: —about the opportunities that were there. If you find that offensive, then I'll withdraw it.

The Hon. DAMIEN TUDEHOPE: Good, thank you.

The Hon. COURTNEY HOUSSOS: I make this point: The inquiry made some important recommendations in relation to the due diligence that should be undertaken. We are in the process of implementing those. These are important checks—important checks that you didn't make in 12 years. I might just take this opportunity to table a list of the zero-emissions electric buses that were procured by your Government from companies that use these same batteries, Mr Tudehope. These are important allegations that you're making, and we will investigate those. But these are companies that you procured from as well.

CORRECTED

The Hon. DAMIEN TUDEHOPE: Against a background—did we make those—that there was anti-slavery reports?

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: No, there was no anti-slavery bill because you hadn't proclaimed it.

The Hon. DAMIEN TUDEHOPE: Okay. That's fine. Chair, just in relation to a previous request, in view of Mr Day's observations in relation to doing company background checks to actually then investigate the company, I tender the two company—"tender" might be the wrong word, but I seek to table the two company reports, which would have been very simply available to any person doing due diligence.

The Hon. COURTNEY HOUSSOS: Which may be in the control and the contact of the department of transport.

The CHAIR: Thank you, Mr Tudehope. We will have a look at those later on, in the deliberative.

The Hon. GREG DONNELLY: Thank you, Minister, for coming along today with your officers and providing detailed and comprehensive answers. My question relates to merchant fees, a matter that you're well familiar with and that has been canvassed before. Can you provide additional information about the charging of illegal merchant fees initiated by the previous Government?

The Hon. COURTNEY HOUSSOS: Thank you very much, Mr Donnelly, for an important question in relation to merchant fees. That's true. Ms Boyd raised this issue earlier: You might recall that between 2016—the issue was identified by our new Auditor-General last year. We discovered that—and we ordered Service NSW and Revenue NSW to cease the illegal activity—\$144.9 million was illegally charged by those two agencies. For the benefit of the Committee, to better understand the issue, I've got some documents here that show the Crown Solicitor's advice that was actually provided to the Government at the time. This is pretty clear, and I will provide a quote, which is that a review of the Service NSW Act indicates there was no express power conferred on Service NSW in that Act to charge a customer service fee. If Service NSW introduced a service fee where it did not have a power to do so, it would be acting beyond power, and any fee levied would be illegal and therefore invalid. And the advice of the CSO had been "requested urgently".

These are serious matters that the previous Government was advised of. We've acted swiftly on this. We have sought to cease the activity. We provided an update earlier that agencies have ceased that activity, but this is yet another example of how the Government sat on its hands when unlawful activity was being undertaken. We look forward to receiving the report from the Ombudsman—the appropriate place to be investigating, as a body charged with investigating potential maladministration—and making sure that any recommendations are dealt with promptly. What this Government is absolutely committed to doing, is acting on the advice that it receives.

The Hon. GREG DONNELLY: Thanks once again for a detailed answer.

The Hon. Dr SARAH KAINE: I wanted to follow up on the issue of modern slavery and particularly the information you've just provided on the previous Government's record on modern slavery, noting, in particular, that a number of those procurement activities took place after the commencement of the Act in 2022. I wondered if you could provide us a bit more detail of that.

The Hon. COURTNEY HOUSSOS: Thank you very much, Dr Kaine, for the question in relation to the—

The Hon. CHRIS RATH: Point of order: This is one that Government members love to use themselves. This is budget estimates into the current budget. It's got nothing to do with the previous Government and the previous Government's expenditure or policies. I know it might be interesting for the Minister to ask for a bunch of Dorothy Dixers at the end, but I'd suggest this might be better content for the Chamber rather than using Government time to examine the previous Government, which has absolutely nothing to do with this budget round.

The Hon. Dr SARAH KAINE: To the point of order—

The CHAIR: No, I do not need to hear further on the point of order. Good try, Mr Rath, but there's—

The Hon. CHRIS RATH: It's one they always use, and it's never successful either.

The CHAIR: I know. It's never successful because there's important context in looking back at previous policies and when they've been implemented or not. I do not uphold the point of order.

The Hon. COURTNEY HOUSSOS: Thanks very much for the question. It's a great question. There's no doubt that we are continuing to work to address risks of modern slavery across our supply chains. The series of

CORRECTED

questions that has been asked by the former Minister today and by the Opposition spoke about specific risks for a specific supplier that the previous Government procured multiple contracts for. In order to assist the Committee, I might just provide a list of those one, two, three, four, five separate occasions that the previous Government procured these specific batteries. There is no doubt that my expectation is that we have a strong due diligence process and that we continue the work that we're doing in relation to modern slavery. But this comes from a government that failed to proclaim legislation. The legislation passed through the Parliament in 2018 and did not come into force until 2022.

The Hon. GREG DONNELLY: Shame!

The CHAIR: Order!

The Hon. COURTNEY HOUSSOS: The delays and the constant avoidance of this issue—they voted in the Parliament against it when we tried to bring it into effect. This is such an important issue. Of course we want to be addressing the risks of modern slavery across our supply chains. We take seriously the recommendations of the Modern Slavery Committee that reported in December. We're looking at that and formulating a Government response. This is an issue that this Government prioritises. But to come in here and to make serious allegations—we will investigate those. We will refer them to the appropriate departments and make sure that if there are lessons that need to be learnt, we will do so. But for those opposite, who continued to procure from these very providers, we are now seeing local jobs as a result of these procurement contracts. If there are improvements, of course we will make them. But it's pretty hypocritical to come in here and launch those attacks off the basis of that record.

The Hon. STEPHEN LAWRENCE: Thank you, Minister, for lots of the finer details in your answers today. Stepping back and addressing things a bit more generally, can you walk us through some of the progress that you've made across all of your portfolios, including next steps?

The Hon. COURTNEY HOUSSOS: Thank you very much for a great question. We've had some very specific questions today on some really important issues. You can see the large body of work that we're pursuing across the procurement space. There is more work that needs to be done there, and I look forward to making some more announcements in that space. I will quickly flag a couple of things that have actually come into effect since we last met. Our Bulk Billing Support Initiative is important cost-of-living support for families, providing support so that they can access bulk-billing here in New South Wales. I note the Federal Government's announcements to provide much larger pools of funding, as they are able to, but our initiative has come into effect and is already delivering that important cost-of-living relief through the payroll tax exemptions.

It is important for our health system. We know that every 1 per cent decrease in bulk-billing equates to about an additional 3,000 emergency department presentations. We're keen to see that one get up and off the ground. The other one in relation to procurement that has just come into effect is the "if not, why not" policy. This will require New South Wales government agencies that are procuring contracts above \$7.5 million to look for a local New South Wales supplier. Every quarter they're required to provide some feedback to the Procurement Board and some data around how that policy is being introduced. We required government agencies to update their policies by December, and that came into effect on 1 January.

These are real changes that we are in the process of delivering. There is lots of work to do. The final one I flag is that from 1 July our critical minerals royalties deferral scheme will come into place as well. That's the key first plank of our critical minerals strategy. It will actually allow projects during those crucial early years to free up capital and be able to capitalise and get them off the ground. We've got a broad program of reform that we're working on; we've covered some really specific elements of that today. But our Government is absolutely committed to delivering on the election commitments that it made and improving the services that it delivers for the people of New South Wales.

The CHAIR: Thank you very much, Minister, for your attendance and your answers today. We very much appreciate it.

(The Minister withdrew.)

(Michael Coutts-Trotter withdrew.)

(Luncheon adjournment)

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

Ms LIZ LIVINGSTONE, Deputy Secretary, Policy and Budget, NSW Treasury, on former oath

CORRECTED

The CHAIR: Welcome back, everyone. We will go to questions from the Opposition.

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

SCOTT JOHNSTON: Yes, that's right.

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

SCOTT JOHNSTON: Give me one moment.

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

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

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

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

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

SCOTT JOHNSTON: I'll do my best.

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

SCOTT JOHNSTON: Yes.

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

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

The Hon. DAMIEN TUDEHOPE: But it is available.

SCOTT JOHNSTON: Yes.

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

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

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

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

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

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

The CHAIR: Sorry, what is that?

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

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

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

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

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

CORRECTED

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

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

SCOTT JOHNSTON: I'll take that on notice.

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

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

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

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

The Hon. DAMIEN TUDEHOPE: Yes.

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

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

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

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

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

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

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

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

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

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

SCOTT JOHNSTON: Yes.

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

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

The Hon. DAMIEN TUDEHOPE: For the purposes of actually assessing whether a GP practice fits within the new guidelines relating to the percentage of bulk-billing, where and how do you assess that?

SCOTT JOHNSTON: In terms of whether they've met the criteria?

The Hon. DAMIEN TUDEHOPE: Yes.

SCOTT JOHNSTON: Payroll tax is a self-declared tax, so they provide information around the rates of bulk-billing, which we have data sources that we'll be working on to validate that. Mr Smythe, was there anything to build on that?

CULLEN SMYTHE: Not really. Just that there's actually quite a number of elements that go into answering your question. I'm just trying to work out specifically what bit of information you're after.

CORRECTED

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

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

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

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

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

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

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

The Hon. DAMIEN TUDEHOPE: In fact, there was an announcement that in some respects there had been rebates that had been made because practices had met within that figure. How was that arrived at—whether someone was entitled to a rebate? Is that self-disclosure?

CULLEN SMYTHE: Without commenting on the particular document you're mentioning, because I don't have it, the general scheme of the payroll tax legislation and claiming the rebate is if a practice believes they meet the criteria—so the 70 per cent or the 80 per cent of bulk-billed services in metropolitan or regional areas—they have two ways of applying. One is to claim the rebate on a rolling basis, so on their monthly returns. However, there will be a number of practices or businesses that operate medical practices that are either unwilling or unable to determine the percentage until the end of the year. Those businesses will be able to take advantage of the rebate in the true-up at the end of the year.

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

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

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

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

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

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

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

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

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

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

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

The Hon. DAMIEN TUDEHOPE: It's a judgement debt.

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: If it's a judgement debt, would your office have any role in seeking to recover it?

CORRECTED

CULLEN SMYTHE: If it was referred to us, we would presumably be able to utilise the State Debt Recovery Act to go in and enforce that. I just need to be careful or raise the point that if the amount owing is a judgement debt, then it falls under the State Debt Recovery Debt. If it is, in fact, a court-imposed fine, we once again may well be involved in recovering the funds, but it would be under the Fines Act.

The Hon. DAMIEN TUDEHOPE: I should know the answer to this, but can you clarify for me that if a company phoenixes, of course, there is no mechanism—or did we change the law relating to that?—to give you an opportunity of pursuing that debt through to the phoenixed entity?

CULLEN SMYTHE: Not the debt per se; it depends on the nature of the debt. Say, for example, it was payroll tax funds that are owed, that's something that we do have an ability to look at. I won't bore everyone with the technicalities but, where it's payroll tax, there are some mechanisms available to us under legislation to look at chasing the new company.

The Hon. DAMIEN TUDEHOPE: I thought we did that.

CULLEN SMYTHE: I'm sorry, I cannot remember when the legislation was introduced.

The Hon. DAMIEN TUDEHOPE: I seem to recall there was something. So there is opportunity, if there is payroll tax outstanding, to follow that dollar to a phoenixed entity?

SCOTT JOHNSTON: Correct, yes.

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: But you're not sure—perhaps you might need some advice on this—whether a judgement obtained by SafeWork, in circumstances where it had been referred to you, could also be traced through that phoenixed entity.

CULLEN SMYTHE: I don't believe that applies, because the provisions that involve payroll tax involve a notional re-creation of the liquidated entity so that we can then rely on the grouping provisions to join that outstanding liability to other members of the payroll tax group.

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

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

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

SCOTT JOHNSTON: So far, 195,796.

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

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

The Hon. DAMIEN TUDEHOPE: In terms of the timeline, when would you expect final notices?

SCOTT JOHNSTON: New customers have until 31 March to lodge a return, so it would be some point after that.

The Hon. DAMIEN TUDEHOPE: I suppose that's the problem I identified. In relation to changes to land tax that were introduced with the 2023-24 budget under the rubric of correcting an historical error in calculations by the Valuer General—did you hear me ask this question yesterday? I think I asked this one yesterday.

SCOTT JOHNSTON: No, I didn't.

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

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

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

CORRECTED

SCOTT JOHNSTON: Yes.

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

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

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

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

What's the competitive process if it is triggered?

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

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

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

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

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

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

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

Ms CATE FAEHRMANN: He has been identified as potentially an issue based on, I understand, the investigation—well, based on the work that the guys that live in Bunya did, based on their research and bringing it to the attention of this Parliament and the media. So you've got your investigators that are looking into the connections with Govinda, who has been charged in the past with market manipulation?

PETER DAY: We're looking at the information provided that was on the statement of compliance history to us for consideration. That's the primary basis of our investigation. But, as I said before, because it's under investigation now, it's probably not appropriate to provide much more detail on that itself.

Ms CATE FAEHRMANN: Does that mean that the Resources Regulator doesn't undertake further research to satisfy itself that the people that are being granted exploration licences are essentially fit and proper people? Do you just take their word for it, in terms of what they provide you on the paper?

PETER DAY: No, that's not correct. We will do searches on our system, on whether there's anything that flares up in terms of the actual applicant itself, with the company and the directors and also the secretary. If nothing triggers, then it will go through to be processed or we may make further inquiries if information comes to hand.

Ms CATE FAEHRMANN: Does that include ASIC searches and everything, I assume? When you say your own system—

PETER DAY: It can, but not all the time. If we received information that would require further searching, we could do that—we can do that. But we don't do it for every single applicant, no.

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Ms CATE FAEHRMANN: I think there are issues with other people associated with that company. Is the Resources Regulator looking into other companies as a result of this? And as a result of this discovery by the community, is the Resources Regulator looking at any other applicants behind gold exploration licences in the State?

PETER DAY: The investigation is broader now, but I won't go into more detail than that at the moment.

Ms CATE FAEHRMANN: How long is this investigation going to take?

PETER DAY: The investigation—they can take some time. We need to get all the relevant information. We don't want to rush an investigation. It's on track. It would be a thorough investigation, and it's quite complex, as you would imagine. We're working through that, and we'll process it as it goes.

Ms CATE FAEHRMANN: In the meantime, does activity just continue for any company that you may be investigating that may be wanting to undertake exploration activity? Goodness knows whether some of these companies pollute farmers' or landholders' groundwater, for example, and if they do damage, whether any of them have got money to deal with anything. Are you pausing any of their activity while you undertake this investigation?

PETER DAY: There are already controls in place around legislation that we can look into in terms of any operational damage or noncompliance with the Mining Act that may occur. Of course, we're closely monitoring activity, as we speak. I'm confident that the protections are there in terms of operations, in terms of what companies are unable to do, but that will be part of the investigation as we go forward as well.

GEORGINA BEATTIE: If I can add, we also hold security deposit for any activity that occurs on titles.

Ms CATE FAEHRMANN: How is it factored in when companies do have a bad track record, for example? How much does it go against their application, for example, if a company has been fined for failing to provide key documentation to the regulator? This happens more than once or twice—for example, a mine rehabilitation management plan. How do you assess that? What does a refusal take?

PETER DAY: In line with our compliance and enforcement policy, we employ a graduated, proportionate response to noncompliance out there. In that, there is a number of criteria that we look at in terms of willingness to comply; their compliance history, as you say; the significance of noncompliance—a whole range of factors would go into that; and, of course, the outcomes of any sort of enforcement action being taken. In terms of court matters, we would normally wait until a court matter was finalised to then determine where that fits into our compliance continuum for analysis around that. But there are measures that we can employ to suspend or cancel an authorisation.

Ms CATE FAEHRMANN: What about if people are associated with companies that have recently gone bankrupt, that owe many tens of millions of dollars, for example, as a result of that? If you're not checking ASIC religiously, how do you check that?

PETER DAY: It will depend on the information that's provided in the application but also as part of the investigation that we would further explore those issues.

Ms CATE FAEHRMANN: There is a high degree of trust, don't you think, potentially, Mr Day? Potentially too much trust, if these characters have been very easily discovered by a couple of landholders—and their connections, by the way, to numerous gold exploration licences already granted across the State. It would appear that the current system and process of checking them and trusting what the applicant provides is creating this wild west and cowboys getting away with anything out there, wouldn't it?

PETER DAY: It's not a matter of trust. We get regular reports on solvency from ASIC and that type of thing. How we use the process for the statement of compliance history forms and the details contained within are not different to what the Tax Office would do or most departments would do around making sure that applicants are very much aware of the obligations to provide the truthful information. The consequences for failure to do so incur significant penalties.

Ms CATE FAEHRMANN: So with this guy, Govinda, we kind of got it out there in the media what was happening when he realised that people were onto him a second time. He surrenders the tenement near Mr Barker and Mr Spreckley, in his words, "in order to allay any perceived or actual concerns from the couple that complained". You're investigating him. As I said, he has been charged in the past. He's now selling or has sold his exploration licences, as I understand, all to Trigg Resources. Are you aware of this? If he has, what does that trigger for you? Excuse my use of the word "trigger" with Trigg. Where does the Resources Regulator go with that, then? Surely, an inquiry into Trigg Resources is now required because the majority shareholder could indeed

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be our friend Govinda, who was convicted of running pump-and-dump schemes and pleaded guilty to 23 counts of market manipulation et cetera a few years ago.

PETER DAY: Just to clarify some points you made, we're investigating Pinpoint Prospecting Proprietary Limited, which is the company, and we're investigating a number of other companies with that.

Ms CATE FAEHRMANN: Historic gold mines, I think.

PETER DAY: Sorry?

Ms CATE FAEHRMANN: Historic gold mines is one I hope is being investigated as well.

PETER DAY: There are a number of companies we're looking at that have expanded from that. As I've said before, as it's a current investigation, it's inappropriate to make any further comment on that matter.

Ms CATE FAEHRMANN: It's budget estimates, Mr Day, and you are here as the Resources Regulator. I want to check that the Resources Regulator is aware of the recent activities of Mr Govinda, who has offloaded his exploration licences to Trigg Resources for shares—this is what he's done multiple times—and that Trigg Resources now potentially has Mr Govinda as a majority shareholder. Doesn't that mean that Trigg, which has exploration licences over a lot of the Mid North Coast for gold and a lot of communities very concerned about it—that you have to ensure that they are looked into as well. At the very least, the community needs to have faith that, if a company does have an exploration licence over them, they are going to be treated as well and as respectfully within the regulatory framework as possible. That's what a fit and proper person needs to be, don't they?

PETER DAY: We're aware of the information you've got there, and the public can be very certain that we'll be doing a very thorough and intensive investigation.

Ms CATE FAEHRMANN: Do you think it would involve recommendations for changing the way in which the individuals are vetted? I know you're doing an investigation but there's clearly an issue. It's very obvious; as I said, it doesn't require much digging to work out what's going on in some way. The investigation to determine what's happening is good. Who's then responsible for recommending reform and improving the regulatory framework? Do you make recommendations arising out of this to the Minister, for example? Ms Beattie, do you have any thoughts about this? Or should I leave it with the Resources Regulator?

GEORGINA BEATTIE: About the outcomes of an investigation?

Ms CATE FAEHRMANN: Yes.

GEORGINA BEATTIE: I think we've got to be very careful because the investigation could lead to, depending on what is found, compliance action, possibly through the courts. Mr Day said we don't want to comment any further on that particular investigation. Generally, in terms of—

Ms CATE FAEHRMANN: I'm trying to be as general as possible—

GEORGINA BEATTIE: I know.

Ms CATE FAEHRMANN: —because it seems a very general problem, actually. It doesn't even seem to be one problem. It does seem to be pretty widespread. Generally, where would recommendations go if it was discovered, "Hey, we could tighten this up and this up"? What are the next steps? Recommendations to the Minister, maybe?

PETER DAY: Our primary concern at the moment is obviously doing the investigation. We always look at our processes around the mission of continual improvement, so if there's any change or any improvements to be made then we can look at that. But as I said before, our primary focus—now, tomorrow and in the near future—is on completing this investigation.

GEORGINA BEATTIE: Generally, I would say that our focus is on the applicant and the titleholder. Shareholders are a matter for ASIC. We look at the fit and proper person, we look at the statement of corporate compliance that a company provides as part of their application, we have regular checks and balances in terms of reporting and we investigate when there are complaints. As part of our approach to continuous improvement, we review our policies and guidelines around how we do that assessment and, if there are changes, we'll make those depending on if the change is a process. If it's regulatory change, then obviously it would go through the processes for any legislative change.

I can, if you like, provide a bit more information about the Bengalla application and the operational allocation process. The guideline, as I mentioned, is on our website. There is an advertisement requirement for coal explorations under that framework for community submissions. They are provided to the company and then

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the company needs to address those through written submissions to the department. In the case of Bengalla, it has gone through that process, and I understand that there was one submission received in response to that.

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

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

Ms CATE FAEHRMANN: The community is questioning—because it's in a water catchment and quite a fragile environment there on the Mid North Coast—why there was no need, therefore, for an environmental impact statement to be triggered?

PETER DAY: A CEA normally means really low-level activities, like mapping and that type of thing—not actually invasive extraction.

Ms CATE FAEHRMANN: Drilling.

PETER DAY: Yes. Chair and Ms Faehrmann, I just want to clarify something we said before lunch around the Macquarie Marshes in the Ramsar. In terms of where the exploration was going to occur in terms of the Ramsar wetland, the application area for exploration activity that you were talking about—around the accessible prospecting operation for ACGH—was not within the Ramsar wetland. There is actually an exploration licence that covers a bit of the Ramsar area, but that was not part of the original application. That would involve a wholly separate process to go into that area, so just clarifying that.

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

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

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

SCOTT JOHNSTON: Yes, but the increase—

The Hon. DAMIEN TUDEHOPE: In value.

SCOTT JOHNSTON: So how have you come to that?

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

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

The Hon. DAMIEN TUDEHOPE: I might come back to that in half a moment. On point of consumption tax, has Revenue NSW done any modelling or been asked to provide any input to a possible increase in the point of consumption tax?

SCOTT JOHNSTON: No.

The Hon. DAMIEN TUDEHOPE: How many public servants are employed by Revenue NSW?

SCOTT JOHNSTON: I'll find the current number. It's close to 2,000.

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

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

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

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

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

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

The Hon. DAMIEN TUDEHOPE: The Public Service Association raised concerns in November last year about the draft Department of Customer Service flexible working policy. Has Revenue NSW had any input into that draft policy?

SCOTT JOHNSTON: We're part of the department, yes.

The Hon. DAMIEN TUDEHOPE: Community Service? So you had input.

SCOTT JOHNSTON: The Department of Customer Service. Yes.

The Hon. DAMIEN TUDEHOPE: Were you aware of staff concerns with the proposed new policy?

SCOTT JOHNSTON: There was an extensive consultation process where issues were raised—so, yes. As in, I was very aware of issues that were being expressed by people.

The Hon. DAMIEN TUDEHOPE: Has the new flexible working policy been finalised?

SCOTT JOHNSTON: The policy for the department came into effect on Monday 24 February.

The Hon. DAMIEN TUDEHOPE: Does that make any explicit reference to the number of days per week staff are expected to attend the office?

SCOTT JOHNSTON: No. In alignment with the circular from the Premier's Department, it's about being principally in the office—in an approved workplace.

The Hon. DAMIEN TUDEHOPE: So that approved workplace can be home?

SCOTT JOHNSTON: Sorry, I think I've not—it's about a New South Wales government workplace. It's about an office space.

The Hon. DAMIEN TUDEHOPE: Has that required you to make any changes in the availability of workspaces in your offices?

SCOTT JOHNSTON: As in, do we have more than we did? No.

The Hon. DAMIEN TUDEHOPE: Revenue NSW uses a lot of hot-desking.

SCOTT JOHNSTON: Yes.

The Hon. DAMIEN TUDEHOPE: If there are a lot more people returning to the office, have you been required to increase the number of places available for staff to be able to return to?

SCOTT JOHNSTON: Not as of yet, and there hasn't, as of yet, been a need. The offices were underutilised the past few years and are now largely full. In part, our policy has staff in the process of completing agreements around their flexible working arrangements and, as people are more present in one of our workplaces, we'll adjust accordingly. Simply, no, to the specific question about more space or more offices. In the first instance, it's about optimising the space that we have.

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

SCOTT JOHNSTON: There is a small number.

The Hon. DAMIEN TUDEHOPE: What are their functions?

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

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

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

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

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

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

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

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

SCOTT JOHNSTON: Yes.

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

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

The Hon. DAMIEN TUDEHOPE: In the same vein, a reduction in write-offs of tax debts and reduced tax avoidance.

SCOTT JOHNSTON: Yes.

CULLEN SMYTHE: I don't know if we're able to estimate reduced tax avoidance.

The Hon. DAMIEN TUDEHOPE: Why?

CULLEN SMYTHE: We do our very best to ensure there is—

The Hon. DAMIEN TUDEHOPE: Full compliance.

CULLEN SMYTHE: —as little tax avoidance as possible at all times.

The Hon. DAMIEN TUDEHOPE: You'll be aware of an item, Chief Commissioner, on 2GB, where there was a distressed taxpayer who had been caught in circumstances where they were charged surcharge duty.

SCOTT JOHNSTON: I'm aware of that, yes.

The Hon. DAMIEN TUDEHOPE: What has been done in relation to that case, if anything, either by way of act of grace payment, or has any other exemption been provided to that taxpayer?

SCOTT JOHNSTON: I don't think you'd be surprised, Mr Tudehope, but I'm not going to speak about an individual taxpayer's circumstances. We are in contact with that person and providing support to them around their arrangements.

The Hon. DAMIEN TUDEHOPE: Is it the case that it would be your view that you need more discretion in relation to the manner in which you deal with hardship cases in respect of surcharge duty and the like?

SCOTT JOHNSTON: That's asking my view. I think my role is to administer the law as it is.

The Hon. DAMIEN TUDEHOPE: I accept that entirely, but would that case have arisen if you had potentially more discretion in respect of the manner in which surcharge duty could apply?

SCOTT JOHNSTON: I think that's—

The CHAIR: That's a hypothetical.

SCOTT JOHNSTON: —impossible to answer.

The CHAIR: Maybe you could rephrase it, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: If you had the discretion to be able to waive the surcharge duty, would that obviously have been something which would have been able to alleviate the circumstances of the distress caused to that taxpayer?

SCOTT JOHNSTON: It's still quite a hypothetical question.

The CHAIR: It still is a hypothetical, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Has the Minister asked you—

The CHAIR: It's not fair to ask the officials to—

The Hon. DAMIEN TUDEHOPE: I'm not entirely sure it's hypothetical. Has the Minister asked you for advice on introducing more discretion?

SCOTT JOHNSTON: Not directly. We've had discussions about this matter and surcharge in general. I think what's very strong in the view that I hold, and also Commissioner Smyth, who has discretion in this space as well—some very limited discretion in this space—is that the law is fairly clear, which, as an administrator, we can we can apply that. The challenge with further discretion is that it raises lots of challenges about consistency

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et cetera—about what kind of circumstances do you consider different people's disadvantage or inability to follow the law as it is.

The Hon. CHRIS RATH: I wanted to go back to payroll tax as well, but on a slightly different line of questioning to Mr Tudehope. I wanted to talk about the issue—and we've certainly had a lot of probably mid-size businesses come to us on this issue of contractors. Could you provide maybe a bit of an update, in the first instance, about where that's at? Obviously, there's a parliamentary inquiry—you've put in a submission to that—but maybe just give a broad overview of the issue to start with, and then I've got a few questions as well.

SCOTT JOHNSTON: Perhaps Commissioner Smythe would give a better view than myself.

CULLEN SMYTHE: Mr Rath, you were here for my history lesson on the genesis of payroll tax in last estimates, and I appreciate the fact that you didn't fall asleep halfway through it. Payroll tax—

The Hon. DAMIEN TUDEHOPE: It was the Harvester case, wasn't it? Are you going to tell us about the Harvester case?

The Hon. CHRIS RATH: Damien remembers it!

CULLEN SMYTHE: Payroll tax was first introduced at the Federal level here in 1942. Jack Lang, New South Wales Premier, had tried to move forward with payroll tax as a source of funds for widows and orphans after World War I, but for various reasons it didn't really kick off until, I think, the mid '30s. The US was the first payroll tax I've come across, and that was in the Social Security Act of 1935. In the early 1970s, 1971, it passed back to the States from the Federal Government. The contractor provisions were first introduced in the mid-1980s, largely in response to a change in work practices. A lot of this is outlined in the chief commissioner's submission to the inquiry.

For contractors, basically the idea was that any payments by a business to people who help them perform the function of that business could be subject to payroll tax. That could be payments directly to employees, but it could also be payments under what is termed in the legislation as a "relevant contract"—basically, contractor arrangements. The net is cast broadly, and then there is a class of exclusions from that broad net that the legislation casts. Employment agent provisions were brought in a fair bit later—I think '89 or '90 or thereabouts—again in relation to changes in the engagement of labour for particular businesses.

Again, payroll tax is a relatively broad-based piece of legislation, and it has a threshold. So we do find some businesses—and this has been the case from the beginning—can struggle. Especially when they're smaller and they don't have to deal with payroll tax, they hit the threshold. If their professional advisers are not across all of their details or are not across the State legislation regime, they may find that it comes as a bit of a shock to first fall in the net. Revenue NSW, of course—and it's not something that's limited to the State of New South Wales; all revenue authorities around the country—try to engage as much as possible with businesses that may be near the threshold. But of course, the difficulty for us is always that because it's a registration self-assessment tax, there will inevitably be businesses that we are unable to advise before they reach the threshold.

The Hon. CHRIS RATH: And that's around the million-dollar mark or something, isn't it, the threshold?

SCOTT JOHNSTON: It is \$1.2 million.

The Hon. CHRIS RATH: So any business in New South Wales that has a payroll staff cost essentially of over \$1.2 million would have to start paying payroll tax.

CULLEN SMYTHE: Yes.

The Hon. CHRIS RATH: Thank you for that broad overview. What's the explanation, then, that you would give for why we've got all of these businesses coming to us saying that they previously didn't have to pay payroll tax but are now being hit with payroll tax bills, sometimes quite retrospectively—like in the last going back several years, for contractors—that they had assumed they weren't needing to pay payroll tax on before? That has been quite a shock, rightly or wrongly, to them, and it seems to have emerged as an issue quite recently, not just because of the inquiry.

CULLEN SMYTHE: Yes, I appreciate that. There are a couple of things in what you've just raised. The first one, if I could just touch on the retrospectivity element, because I've been reading that in the papers, is that I do take issue with the use of the word, even though it's very common. The reason for that is that I don't view it as a retrospective tax, the same way I don't view income tax as a retrospective tax. The reason that you may be receiving submissions, or constituents who were coming to speak to you and saying, "Oh dear, Revenue has come and hit me with this retrospective tax bill of five years," for example, is that they have not registered and have not met their obligations over that last period. When we do the compliance activity, we generally go back a period of

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five years. Our record-keeping requirement is five years under the Taxation Administration Act. We'll look at their affairs and consider each of those years.

Every case is different—not just payroll tax, but all taxes. I have some suspicions why you might be seeing some increased discussion. One of them is actually, I think, a good thing, which is that there's an increased level of awareness that has come out of a number of different avenues: discussions in the press, some of the GP initiative, a number of industry bodies. We engage quite closely with industry bodies, liaison groups, the Tax Institute, the Law Society, the Institute of Chartered Accountants and CPAs—all the exciting bodies in the State of New South Wales. They in turn have then provided further detail about payroll tax obligations and some of the ways that provisions that possibly are less well understood, like the contractor provisions, might apply in particular scenarios. I think at the last estimates we talked about some payroll tax cases in the area of medical practices and in some other industry areas where we at Revenue NSW have put out some practice notes. Our position has been upheld consistently by the courts, and that has created a wave of information, if you will.

The Hon. CHRIS RATH: Is there anything that has changed from your end—a new tax ruling, greater enforcement, a new directive, a practice note—that has led to certain businesses, assuming that they in the past may not have had to pay payroll tax on certain contractors, now finding themselves in the position where they have to? What has brought about that change?

CULLEN SMYTHE: We have issued a number of what we call practice notes, and that was in response to two things. The former Government wanted to increase the level of general knowledge in payroll tax administration; that was one area. But also some of the feedback we received through those liaison groups was "I really liked the fact that you have a practice note that covers the general provisions in this area"—contractors are a good example—"but could you issue something that's more focused on a particular industry?" We responded to that. The beneficial side of that is that it was picked up by advisers and accountants. I appreciate not everyone is on LinkedIn, but many business owners and professionals are, and word spread quite quickly. That got around, and then that leads to discussions on the radio, in the press and so on.

When it comes to compliance activity, there was a slowdown in compliance activity during the COVID years. That has just moved back into a more normal focus coming out of COVID. I think, again, that has reminded people that there are obligations they need to meet. Again, it has spurred increasing interest by business owners and advisers on making sure that they're across the issues that they need to worry about to make sure their business meets their compliance obligations.

The Hon. CHRIS RATH: In terms of contractors, at one end of the spectrum you've got a permanent employee of a company. Clearly that forms part of your payroll. At the extreme other end, it's a contractor that you might engage for a few hours of work. Where do you draw the line in terms of whether they're part of a business's payroll or not? Because they're very different. Obviously it could get quite grey somewhere in the middle, but how do you determine the payroll of a company?

CULLEN SMYTHE: I could spend a few hours going through this.

The Hon. CHRIS RATH: In very broad terms.

CULLEN SMYTHE: I appreciate it.

SCOTT JOHNSTON: Everyone appreciates it.

CULLEN SMYTHE: There are some very nervous people at this end of the table.

The Hon. CHRIS RATH: Your 30-second elevator explanation of it.

CULLEN SMYTHE: The first thing to work out is whether or not the people are engaged under what we call a relevant contract—basically to work in the business or provide services to the business. It's a very wide test. The next step is to look at the exclusions from that. As you said, we've got employees. They don't fall under these provisions. We're looking at external parties that are involved. What you would normally consider an independent contractor—so someone who comes to your house or your business to fix your plumbing, to put in lights or to do various things like that—they're not services that you would require on an ongoing basis. That's one of the exceptions. They're excluded. Another exclusion that we have is if the person you engage has their own employees—if the job would be done by a group of people together. Again, they're taken out. There's quite a number of exceptions around sections 32 and 33 of the Payroll Tax Act. Our pages on the website are actually quite good with some examples on this. I'm trying to keep this down to a manageable level.

SCOTT JOHNSTON: The other point, Mr Smythe, to build on it, would be that courts continually consider these provisions, which practice builds on, which are moderate changes. Generally, in recent times, we

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have been quite successful in those matters about that. Our assessment and treatment of contractor provisions have been consistent with the law.

The Hon. CHRIS RATH: And at the moment you're seeking clarity on Uber, for instance. I think that's currently before the courts. This comes more to an issue about whether they're just a platform or whether they're an employer. That's really at the heart of dispute, isn't it? If they're an employer, they have to pay payroll tax on their drivers, if I can put it that way. They're trying to argue that if they're more of a platform, they don't directly employ the drivers. That's really the dispute between you and Uber. Is that right?

CULLEN SMYTHE: Mostly. The gig economy and what is essentially some—as I mentioned, these provisions in their first iteration came out in the mid-'80s. The world has moved; the principles of the legislation are solid. It's now for the New South Wales Court of Appeal to decide if the way that we apply those to Uber meets the requirements of the legislation. The reason I sort of skirted around that is when we start using words like "employer" or "employee" in this context, it can get a little bit confusing quite quickly. But the central point that you made is spot on, but the court took the view that agreed with Uber that the service or the function it performs is more of a payment platform.

The Hon. CHRIS RATH: And now you're appealing it. Is that right?

CULLEN SMYTHE: Yes.

The Hon. CHRIS RATH: Was it you, Mr Johnston, who made the decision to appeal the decision?

SCOTT JOHNSTON: Yes, under my function.

The Hon. CHRIS RATH: Is it a decision for you and the Minister or essentially just a decision for you?

SCOTT JOHNSTON: No, just the Chief Commissioner of State Revenue.

CULLEN SMYTHE: If I might, Mr Rath, there's a section—I believe it's 61—of the Taxation Administration Act that vests the administration of all tax laws in the chief commissioner.

The Hon. CHRIS RATH: Right, so basically it's with you. The Minister, as far as her involvement, it's essentially just informed.

SCOTT JOHNSTON: Awareness, yes.

The Hon. CHRIS RATH: Just "This is what we're doing".

SCOTT JOHNSTON: Yes.

The Hon. CHRIS RATH: I know you probably can't talk too much about the actual case that's before the court, so I won't go into too much on that.

CULLEN SMYTHE: I can tell you, if you're really excited, it's only about a week off, two weeks off.

The Hon. CHRIS RATH: That's good to know for our inquiry as well, because we want to hear from the gig economy in terms of payroll tax and we don't want to call them in as witnesses before there's that clarity from the court, so that's very helpful. I think that's all I've got.

The CHAIR: Thank you very much, Mr Smythe and Mr Johnston for that, and thank you all for your evidence today, those of you who gave some and those of you who just had to sit there and tolerate it all.

PETER DAY: Chair, I just wanted to correct one thing I said before.

The CHAIR: Please do, Mr Day.

PETER DAY: Just in regards to mineral carbonisation and complying exploration activity provisions, I'm advised that it can actually involve some small amount of providers done outside of sensitive land that's identified on the SEED Portal mapping for ecological landforms. In that case, the reason that they were a CEA was because it is undertaken on areas outside of sensitive areas and they've got to meet very strict disturbance and environmental impact thresholds and in compliance with codes of practice for exploration as well. I just wanted to confirm that.

The CHAIR: Thank you, Mr Day. Any other answers? No. Thank you very much for your attendance, your evidence and the work you do for the people of New South Wales. You're free to go.

(The witnesses withdrew.)

The Committee proceeded to deliberate.