

PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT

Friday 29 August 2025

Examination of proposed expenditure for the portfolio areas

CLIMATE CHANGE, ENERGY, THE ENVIRONMENT, HERITAGE

CORRECTED

The Committee met at 9:15.

MEMBERS

Ms Sue Higginson (Chair)

The Hon. Mark Banasiak

Ms Abigail Boyd

The Hon. Mark Buttigieg

Dr Amanda Cohn

Ms Cate Faehrmann

The Hon. Wes Fang

The Hon. Tania Mihailuk

The Hon. Jacqui Munro

The Hon. Cameron Murphy

The Hon. Bob Nanva

The Hon. John Ruddick (Deputy Chair)

The Hon. Emily Suvaal

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

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The CHAIR: Welcome to the second hearing of Portfolio Committee No. 7 - Planning and Environment for the inquiry into budget estimates 2025-2026. 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 Sue Higginson. I am the Chair of the Committee. I welcome Minister Sharpe and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Climate Change, Energy, the Environment, and Heritage.

I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures. Thank you for making time to give evidence today. All witnesses will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

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Mr ANTHONY LEAN, Secretary, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

Mr TONY CHAPPEL, Chief Executive Officer, NSW Environment Protection Authority, sworn and examined

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

The Hon. WES FANG: Thank you, Chair.

The Hon. JACQUI MUNRO: Minister, recommendation 1 of the REZ inquiry—

The Hon. WES FANG: No, Minister—sorry, no, we're not doing this again—

The Hon. JACQUI MUNRO: Do you want to start this already?

The Hon. PENNY SHARPE: I'm sorry, I can't answer questions from two people.

The Hon. MARK BANASIAK: Why not?

The Hon. PENNY SHARPE: Can the Nats and the Libs sort themselves out, please?

The Hon. WES FANG: There was an agreement.

The Hon. PENNY SHARPE: Can we start with the crossbench?

The Hon. WES FANG: There was an agreement between the shadows—

The Hon. JACQUI MUNRO: Sorry, Wes, I think you—

The Hon. WES FANG: No, Mark can't just jump in and try to make this an issue.

The Hon. JACQUI MUNRO: I'm sorry, Wes, but I'm your Coalition colleague here.

The Hon. WES FANG: Yes, I get that.

The Hon. JACQUI MUNRO: I'm trying to ask—

The Hon. WES FANG: This is the second time this has happened during these—

The CHAIR: I'm going to have to call order.

The Hon. WES FANG: Which of us has the call, Chair?

The CHAIR: The call will go to Ms Munro.

The Hon. WES FANG: Okay, I accept that.

The Hon. JACQUI MUNRO: Thank you very much, Chair. Minister, recommendation 1 from the REZ inquiry is that the New South Wales Government urgently conduct an independent cumulative impact study on the Central-West Orana REZ and ensure that identified impacts are assessed. Will you commit to conducting this study immediately?

The Hon. PENNY SHARPE: I don't actually need to commit to that. We're actually in the process of finalising one as we speak and it will be available very soon.

The Hon. JACQUI MUNRO: So it's a cumulative impact study. What does it look at in terms of the cumulative impact?

The Hon. PENNY SHARPE: Cumulative impacts.

The Hon. JACQUI MUNRO: Sure, but what cumulative impacts?

The Hon. PENNY SHARPE: We've been working with the councils and the councils have seen some of this information. The cumulative impact study is about what overall, in terms of the projects that are planned, the projects that perhaps could be in the pipeline, is the impact on a range of things, whether it's waste, water, roads. I believe it's very comprehensive. I'm yet to actually see it. But I know that it's on its way for me to look at

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as well. You might want to ask the EnergyCo CEO later this afternoon if you want some more detail about where that is up to. But we are doing that work and it's a good suggestion. It's well underway.

The Hon. JACQUI MUNRO: Did you have any role in actually determining what impacts would be assessed?

The Hon. PENNY SHARPE: No.

The Hon. JACQUI MUNRO: Do you think that there are impacts that need to be assessed that—

The Hon. PENNY SHARPE: I haven't seen it. All I can say is that it's a very good suggestion that has come out of the Committee, but it's something that we've been very aware of. We've been working with the councils here for several years. This is an issue that they've continually raised. Their cumulative impacts are beyond just what's happening in the REZ. It's also what's happening with mining; it's also what's happening with road projects, inland rail and a whole range of things.

The Hon. JACQUI MUNRO: Just to be clear, is it a cumulative impact study related to the Central-West Orana REZ specifically?

The Hon. PENNY SHARPE: Yes.

The Hon. JACQUI MUNRO: Given the things that you have heard from communities, what do you think should be in there?

The Hon. PENNY SHARPE: I have very good faith that EnergyCo have listened to the community and we work closely with the councils in relation to this. As I said to you, Ms Munro, I haven't seen it yet. It hasn't come to me, but I'm aware that it's being dealt with, and so I'm not going to make any judgement about what's in or out on something that I haven't seen.

The Hon. JACQUI MUNRO: Are there other cumulative impact studies occurring in other REZs?

The Hon. PENNY SHARPE: We are doing cumulative impact studies in a range of different places. I would defer and suggest that you speak to Ms McCaughey, who's going to be here this afternoon, from EnergyCo. She's the CEO. She'll be able to take you in detail. But if I can find out more information before this, I'm happy to provide it. But the detail of what you're asking I don't have to hand.

The Hon. JACQUI MUNRO: Given the communities that are impacted by the REZs and the consternation that's been raised, do you think that every REZ should have a cumulative impact study and will you be asking EnergyCo to conduct that work?

The Hon. PENNY SHARPE: I can tell you that both South West and New England are having cumulative impact studies done.

The Hon. JACQUI MUNRO: They are?

The Hon. PENNY SHARPE: Yes.

The Hon. JACQUI MUNRO: Do you have timelines on when each of those will be delivered?

The Hon. PENNY SHARPE: Why don't I take that on notice and come back to you. If we can answer it during the hearing, we'll be able to do that.

The Hon. JACQUI MUNRO: Thank you very much; that would be helpful. In that cumulative impact study, will there be an idea of how much wind and solar will be built in each REZ in terms of, say, a floor or a ceiling number?

The Hon. PENNY SHARPE: These aren't capped, but the natural cap in relation to these is who has access rights in relation to this. You'd be aware that for Central-West Orana Renewable Energy Zone, access rights have been given to 10 generators and they're the ones that are basically guaranteed to be able to plug into the transmission lines that are being built. There are other, smaller projects around the place. I'll take on notice the detail of that; I'm happy to provide it to you.

The Hon. JACQUI MUNRO: Are you concerned that these are being granted without a level of certainty that the projects will be delivered?

The Hon. PENNY SHARPE: No, I'm not. That's the whole point of the access rights process. It's an extremely extensive process where projects that are going to be built—some of them have already got planning approval, some of them have got LTESAs under the road map tender process. The access rights thing is important for a number of reasons. One is that it gives a guarantee that these are the ones that are going to be built, these are the ones that are going to be able to connect to the transmission lines. And, importantly, the access rights granting

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is also what helps fund the community benefits program, for which we've already announced the first round, which is \$60 million. Access rights gives you the certainty that you want. In South West REZ, for example, four generators have been given that. I'm under a lot of pressure. There's a lot of people that want us to actually increase more of that. There's a very extensive process in relation to access rights. Again, when you've got Ms McCaughey here this afternoon, she'd be really happy to take you through the detail.

The Hon. JACQUI MUNRO: When will Eraring close?

The Hon. PENNY SHARPE: Eraring will close when Origin decide to close. Currently, the advice that they've given to the market is that it will be 2027. As people know, the underwriting agreement that the New South Wales Government entered into with Origin only goes until 2027. I'm really happy to report to the Committee that actually not one cent of taxpayers' dollars has been used so far.

The Hon. JACQUI MUNRO: Have you been requested to extend that agreement?

The Hon. PENNY SHARPE: There's no request that I have. There's obviously a discussion. There are two things I'd say. Origin owns Eraring. It was sold by the previous Government. I don't actually control what they're able to do. They're a private entity and they're allowed to do that.

The Hon. JACQUI MUNRO: But what you do have control over is the contract terms that you go into.

The Hon. PENNY SHARPE: If you let me finish, I'll explain it to you. There is an underwriting agreement, which we made public—which is on the public record—that we voluntarily provided which says that the support—

The Hon. JACQUI MUNRO: I am aware of that. I'm just curious about the extension—

The Hon. PENNY SHARPE: If you let me get to it, this is what I'll tell you. In that agreement it says the two things. One is that it's up to Origin to decide when they close, but their drop-dead day is 2029.

The Hon. JACQUI MUNRO: Just to clarify, you haven't had any discussions about extending the agreement after 2027 to 2029?

The Hon. PENNY SHARPE: No. There are plenty of people who've got theories about it and a lot of hot takes, but no.

The Hon. JACQUI MUNRO: That's why I'm asking you directly, Minister. Have you modelled the emissions impact should Eraring stay open to 2029?

The Hon. PENNY SHARPE: Yes. Everything is built into our emissions modelling.

The Hon. JACQUI MUNRO: What is the impact of that two-year extension from 2027?

The Hon. PENNY SHARPE: Two things to be aware of—the actual detail of that, I'll take on notice and get back to you. But the point here in terms of our emissions modelling is that, in fact, it's a point-in-time modelling, which means that if it's closed before 2030, there's no impact on the 2030 target.

The Hon. JACQUI MUNRO: The Clean Energy Council's latest investment report for Q2 2025 shows that New South Wales has only one wind project either in financial commitment or in construction. New South Wales has attracted only \$8 billion out of the \$38 billion currently invested in clean energy projects in financial commitment or construction nationwide. Why are so few projects reaching financial close? We've got some of the longest time commitments between financial commitments and commissioning, the longest of all the States.

The Hon. PENNY SHARPE: I think that the report from the Clean Energy Council is important to understand in terms of where investment is happening. The counterpoint that I would say to the Committee, which is very important, is that the most recent report—I forget the actual name of it—basically says that New South Wales is the best place to invest in relation to renewables almost anywhere in the world, but particularly in Australia. That's because we've got the very good bipartisan road map, and we've got clear way to do tenders, and we've worked it through.

In relation to wind, since forming government we've approved 37 renewable energy and storage projects. Seven of those are wind farms, 14 are solar farms and 16 are battery storage systems. We've worked really hard. Basically, nothing was approved under the previous government since 2020 in relation to wind farms. We've moved through on that, and there are seven that are there. There are now ones that are actually getting built as they get planning approval. I think what you'll see is the tick-up will happen. Basically, there's been a long lead. We've done a lot of work—myself and Minister Scully and others—around the planning system to give certainty to people and that's what we're doing.

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The Hon. JACQUI MUNRO: I do appreciate that, Minister, but New South Wales only has one wind project either in financial commitment or construction at the moment. Is that accurate?

The Hon. PENNY SHARPE: I'm not sure that is actually accurate. I don't know what the point in time is. I'll check and I'll come back to you but, as I said to you, we've approved seven. There are plenty that are starting to get underway. In relation to financial close, that's a matter for the companies that have actually done them. It's not something that the Government has control over. But what I can say is that New South Wales is considered one of the best jurisdictions to invest. That's why we're seeing the investment being attracted to us.

The Hon. JACQUI MUNRO: Are you concerned that Origin doesn't appear to be building renewable energy to replace Eraring?

The Hon. PENNY SHARPE: I'm not sure that that's correct. I've been to their site where they're building one of the largest batteries in the country. Are you aware of that battery?

The Hon. JACQUI MUNRO: Yes, but it's not generation. That's storage.

The Hon. PENNY SHARPE: Sure. They've got a range of portfolios. Again, if you hadn't privatised them, you'd be able to ask me those questions and I'd have a lot more information than I currently have.

The Hon. WES FANG: Thank you, Chair.

The Hon. JACQUI MUNRO: Sorry, I—

The Hon. WES FANG: We have 10 minutes each.

The CHAIR: Are you halving your time?

The Hon. JACQUI MUNRO: Sorry, no.

The Hon. WES FANG: The Chair gets to make the call.

The Hon. JACQUI MUNRO: We're actually halving the time in terms of I get one block; you get one block; I get one block; you get one block.

The Hon. WES FANG: Seeing as there is no agreement, the Chair has actually agreed that we've got 10 minutes each.

The Hon. JACQUI MUNRO: I'm not sure that she has. I'm sorry.

The Hon. WES FANG: Chair, do I have the call?

The Hon. JACQUI MUNRO: I've still got some questions to continue.

The CHAIR: It would be so good if you guys could just make a fair agreement between each other.

The Hon. WES FANG: I know. Speakman inserted himself—

The Hon. CAMERON MURPHY: Point of order—

The Hon. PENNY SHARPE: This is pretty unprecedented. Can you guys get your act together?

The Hon. JACQUI MUNRO: I've got 10 minutes.

The Hon. WES FANG: —after James and Dugald had an agreement.

The CHAIR: Order! A point of order has been taken.

The Hon. CAMERON MURPHY: It's obvious that the Coalition's completely broken down. As ridiculous as this is, Ms Munro has still got the call, I think. She wasn't finished.

The CHAIR: When it comes to environment, climate change and heritage, it would certainly appear so. It really is a matter for both of you to sort out. I would really appreciate it if you could do that—

The Hon. WES FANG: It was sorted, Chair.

The CHAIR: —and not compromise the workings of the Chair, the Committee and the way we normally function in here.

The Hon. WES FANG: I appreciate that, Chair. There was an agreement. Mark Speakman, the leader of the Liberals, has decided to insert himself—

The CHAIR: Ms Munro, would it be okay if Mr Fang had some questions in this session? He seems to be very much wanting some time.

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The Hon. JACQUI MUNRO: I understand that, but—

The Hon. WES FANG: I accept the call of the Chair.

The CHAIR: The way I like to run this Committee is to just be fair and to allow members to ask questions. The Minister is here. She has limited time here. We all have limited time. Can we just please be fair and share the questions allocated?

The Hon. JACQUI MUNRO: Wes, I've got 10 minutes more and then you've got your time after this.

The Hon. WES FANG: This was supposed to be my session.

The Hon. JOHN RUDDICK: You guys are eating up your own time.

The CHAIR: Your own time is right here, right now.

The Hon. JACQUI MUNRO: I'd really like to just continue with the questions that I've got down here.

The Hon. WES FANG: Chair, it's your call. If you make the call that Jacqui gets it, then that's fine. I'll accept that.

The CHAIR: Mr Fang, we'll let Ms Munro continue.

The Hon. WES FANG: Okay, I'll accept that.

The CHAIR: Then, clearly, you hopefully will honour each other's time.

The Hon. WES FANG: I'll get the 20 minutes next.

The Hon. JACQUI MUNRO: Thank you, Wes.

The Hon. PENNY SHARPE: Ms Munro, can I just give you an update in relation to Origin as well? They are also building the Yanco Delta Wind Farm near Jerilderie.

The Hon. JACQUI MUNRO: Thank you. The Hunter Transmission Project is the most critical project in the State for improving electricity reliability and affordability, but AEMO's latest transmission information publication revealed an 11-month delay to that project. It's now scheduled for completion in November 2029. Previously, it was December 2028. Is EnergyCo taking responsibility for this project running late?

The Hon. PENNY SHARPE: I think everyone takes responsibility for the delays that happen to projects. I'm unhappy about them, as is EnergyCo, but these are complex projects. I'm sure that I'm going to get asked about some of the issues in relation to landholders and the impact that it has on them through these negotiations. These are tricky projects. From when you start to when you finish, you realise there are a range of other issues. That's the time frame that we're working to. If we can get it done faster, that's what we want. It's a critical project. It needs to be done, but there are complexities in all of them. Sometimes the time frames slip, but part of my job and the job of EnergyCo and the job of my department is to work as hard as we can to keep them to time.

The Hon. JACQUI MUNRO: Do you think that there is a level of slippage that is acceptable or unacceptable? When do you actually start reviewing your targets and plans?

The Hon. PENNY SHARPE: We're reviewing our targets and plans every single day. The urgency for getting these things built as coal comes out of the system is an everyday occurrence. Every single thing that we do in relation to this is how can we accelerate some of the work where we can? How do we deal with delays? Delays happen for a range of reasons, some of them way out of our control. Some of them are about workforce. Some of them are about supply chain—there's global competition for a lot of the kit that we need for this material. Some of it's about complex negotiations over land and landholders, and people want us all the time to be sensitive around all of that.

The Hon. JACQUI MUNRO: I'm aware of the many issues that can occur.

The Hon. PENNY SHARPE: I suppose what I'd say to you is that it's under review all the time. The way that I talk to EnergyCo about these is what can we do faster, how can we do it within the frames that we've got, and do we need to change frameworks. Recent legislation that we put through, for example, is exactly an example of that.

The Hon. JACQUI MUNRO: Can I take you to the ASL—formerly AEMO Services—report that was recently published. It's got new targets that New South Wales needs to achieve 16 gigawatts of renewable energy by 2030, whereas previously it was 12; and, in terms of long-duration storage, up to 42 gigawatts per hour by 2034. Are you confident that the Government can achieve these targets?

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The Hon. PENNY SHARPE: We've obviously got the legislated targets in relation to long-duration storage and generation, which is the 12 gigawatts and the two gigawatts. We're looking at that all the time. We recently changed the targets around long-duration storage out to 2035. We have got two things going on at the moment. We've got the exit of coal that's coming from our system. We've also got increased demand. I don't know whether anyone is going to ask me about data centres later, but those kinds of issues are new things into the grid that we're having to grapple with. I'm confident that we will meet the targets that we've got and everything else we will continue to adjust to deal with that.

The Hon. JACQUI MUNRO: Just to clarify those targets, what are the targets that you've got?

The Hon. PENNY SHARPE: Twelve gigawatts, plus two gigawatts long-duration storage, of which we're 60 per cent on the 12.

The Hon. JACQUI MUNRO: The AEMO ones, you're not looking at?

The Hon. PENNY SHARPE: No. This is a new report that ASL has done. We welcome all of these reports. This is a very quick-moving scenario that all of Australia is dealing with. We've got to replace the coal-fired power that is there.

The Hon. JACQUI MUNRO: I understand.

The Hon. PENNY SHARPE: But we've also got to tackle additionality in relation to increased demand and that's something that we're still working through.

The Hon. JACQUI MUNRO: Are you intending to increase your targets, given this report?

The Hon. PENNY SHARPE: Through the legislation? No, but actually, how we have to meet demand is an ongoing issue. If we need to change it in the future, we're open to it, but at the moment, no plans.

The Hon. JACQUI MUNRO: Do you think it's a problem that we've legislated targets that are fairly—they can be challenging to amend?

The Hon. PENNY SHARPE: Well, they were your targets and it was your legislation—which, in opposition, we totally supported and agreed with.

The Hon. JACQUI MUNRO: You're in government, so I'm asking you as Minister whether you think that it is appropriate that we change those targets.

The Hon. PENNY SHARPE: No, what I'm saying is that we have legislated targets that we're going to meet and that we're constantly adjusting what we need. I would hope the Liberal Party would support that—the National Party, I'm not so sure.

The Hon. JACQUI MUNRO: I think you know my views on this very clearly, Minister.

The Hon. PENNY SHARPE: I do but, in terms of being able to get it through the Parliament, we kind of need the Opposition. In the past, one of the best things we've had—and this is what I say at every boardroom lunch and in every speech I make. New South Wales is in the box seat for investment and working through the issues because we have the kind of certainty and bipartisan support that we have enjoyed. That is a rare and precious thing. It's something that is worth maintaining as much as we can, because that's what's going to make sure that we can do the transition properly.

The Hon. JACQUI MUNRO: Minister, I'm so sorry to interrupt. I agree with you, of course. Can we please have an update on how many clean energy projects have been approved so far in 2025?

The Hon. PENNY SHARPE: Since we've come to government—why don't I get you the actual ones—seven wind farms, 14 large-scale solar farms, 16 battery energy storage systems. There's also obviously Central-West Orana—the transmission lines have also been approved. In terms of this year, let me come back to you.

The Hon. JACQUI MUNRO: In March estimates earlier this year, you said, regarding the Hydrogen Strategy production commencing by midyear, "I hope that they're able to do it by the end of the year but I'm not sure they'll be able to do so." Obviously we're almost in September. Are there any firm commitments about hydrogen in New South Wales?

The Hon. PENNY SHARPE: The best commitment we've got about hydrogen in New South Wales is we've been able to attract the Hydrogen Headstart support from the Federal Government, which is for the Orica site in Newcastle. I think it's no secret that the production of green hydrogen has been challenging everywhere and there has been a lot of withdrawal of projects around the country, both private and public. It is our intention to keep going with hydrogen and to make New South Wales one of the leaders in Australia, if not elsewhere.

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Partly that's because of the unique situation we particularly have around the Port of Newcastle with Orica onsite with a deep port there with good industrial workers and skills and innovation there.

The Hon. JACQUI MUNRO: Minister—

The Hon. PENNY SHARPE: Just to be clear—I'm getting to it—I'm not pretending that hydrogen everywhere is going well. I'm actually trying to set the scene about why this is important but also why I'm so pleased that New South Wales is still in the game. In relation to where we'll be in production, there is not production now. But there is good work around ammonia happening at Orica, and we'll keep people updated about that. But you're correct to say that, no, there's no green hydrogen production at this point. I've got another update that is also very good. One of the other three hydrogen hubs we have is in Moree. The very good news about this—this is about agriculture and the use of hydrogen in fertilisers—is that that project has just gone to the final investment decision to go ahead. That's also very good news.

The Hon. JACQUI MUNRO: Also, in estimates in March, you said that you were comfortable with the Transmission Planning Review report delays. I'm wondering when that report will be made public.

The Hon. PENNY SHARPE: I'm not sure. Let me find out. I'll come back to you hopefully before the end of this hearing.

The CHAIR: Minister, can you please explain why we don't have the Great Koala National Park yet? Are you disappointed that your Cabinet has not prioritised this in New South Wales now?

The Hon. PENNY SHARPE: I'm never disappointed in our Cabinet. This Government is committed to a Great Koala National Park that is going to be an incredible contribution to conservation of both koalas, threatened species and forests in this State. I know that there's a degree of frustration. I deal with it every day. I deal with it every single time there's a rumour, and every journalist asks this every Friday when we're announcing it. The point that I would make is this: There has been extensive work on this. There has been two years of work with industry, with First Nations and with environment and other groups. We've chased down every rabbit hole the issues that are raised in the creation of this park, and we're very close to finalising that and announcing that. I appreciate that you're going to ask me when, and I'm going to say soon.

The CHAIR: No, "very soon".

The Hon. PENNY SHARPE: If I could have done it on day one, I would've. That's not how these things work. It's not the way that government works. It's really important that we work through this issue. One of the things about the Great Koala National Park—and I think this is the bit that people don't really say out loud—is that koalas like the same large trees that our mills have relied on for a long period of time. There's going to be an impact in relation to the park, whatever size the Government finalises, and we've been really careful to make sure that not only do we get a good conservation outcome, but that there will actually be the right support that is needed for anyone who is impacted. That's not an easy task because, as you know, there are not even agreed facts in relation to these matters. So I'm not disappointed about Cabinet. I'm not disappointed. I think what a grown-up government does is it chases down all those issues so that, when we're able to announce the park, we'll have answers for people, regardless of the impact, but we'll also have an absolutely outstanding conservation outcome that is a gift to future generations in this State.

The CHAIR: Minister, you know the size of the Great Koala National Park already. What will it be? Will it be the 176,000 hectares?

The Hon. PENNY SHARPE: We've always said that the assessment area would be up to 176,000. Obviously the final figure is yet to be announced and I'm not going to announce it here today.

The CHAIR: But you do know that figure at this point in time?

The Hon. PENNY SHARPE: I'm not going to say whether I know it or not. The point is that we will be making an announcement really soon.

The Hon. WES FANG: She does. She should have announced it today, I thought.

The CHAIR: Wes. Sorry, Minister.

The Hon. PENNY SHARPE: Look, we can try to be tricky about this—

The Hon. WES FANG: No, don't listen to me.

The Hon. PENNY SHARPE: —but, just to be clear, these are subject to—

The CHAIR: Minister, please don't be distracted by the interjections.

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The Hon. PENNY SHARPE: Ministers are subject to Cabinet discussions, and I'm not going to reveal them here; I'm actually not allowed to. That's actually part of the rules being a Minister.

The CHAIR: Minister, does a grown-up government think that it is appropriate to continue industrial-scale logging of areas that you know will become part of the national park in a matter of days, weeks or months?

The Hon. PENNY SHARPE: The point I would make again is that there are areas of the park that have been quarantined, for the first time since the Regional Forest Agreements were ever in place, to protect areas of the park. I know that there has been an ongoing discussion about whether we just had a full moratorium. Without having done the work on the impact on industry, that would not have been responsible. We're very close to making a decision and we'll be very close to making an announcement. That'll be dealt with properly. The point I would make is that I think that this Government has been very careful. I know that myself and Minister Moriarty and others have worked really diligently on dealing with the issues of what comes next in terms of the park. I think that's what you should do. I think that's your job.

The CHAIR: In budget estimates last week the Treasurer said that he knows no additional money is required in the budget at this point in time for the establishment and the first part of the Great Koala National Park. If this is about adjustments and dealing with those interests that might otherwise be compromised by the creation of the Great Koala National Park, how can there be any justification? The money is there. The logging has continued. The park is delayed. What is the genuine delay or the allowing of the continuing of the logging?

The Hon. PENNY SHARPE: I just refer you to the answers that I've given numerous times just now and for the last three estimates committees. It's the same answer: We're doing the work and we're moving through it. It's not a simple case of just snapping our fingers, and it's irresponsible to suggest it is.

The CHAIR: Forestry Corporation lost \$14.9 million dollars in the last six months of the last financial year. They're, literally today, facing criminal prosecutions that will result in millions more dollars in cost to the public taxpayer, and you've allowed the continuing of the logging in a park that you're going to deliver. The Treasurer has said you don't need any more money at this point to deliver the park. How can you justify the continued destruction of the environmental values that you're going to protect through the Great Koala National Park?

The Hon. PENNY SHARPE: That's the way that you choose to describe that.

The CHAIR: Give me an explanation—a justification for the continued logging.

The Hon. PENNY SHARPE: I think I've given one, and I don't have anything to add.

The CHAIR: The continued logging—I understand the assessment, but how can you justify the continued logging? There must be a reason.

The Hon. PENNY SHARPE: The point that I would make is that I'm not the forestry Minister, nor do I have directional powers in relation to Forestry Corp. I'm not a shareholder Minister. You've had the Treasurer, and I know that you've asked about that. Those are questions for him. There are also questions for the forestry Minister. These are not things that I have direct control over.

The CHAIR: But it's your park. You're the Minister who's going to create the park.

The Hon. PENNY SHARPE: I know that and I'm very proud of the fact that we're going to deliver a Great Koala National Park that is going to be incredible. It's going to be a large addition to the national park estate. It's something I'm extremely proud of.

The CHAIR: Regarding the koala translocations, as you're aware, in April this year seven of the 13 koalas in a translocation project died. This was not disclosed to the public until July by the department. It's a pretty alarming project, and the failure there is significant. Why was it not disclosed to the Parliament or the public any earlier?

The Hon. PENNY SHARPE: I know you have a view about whether it was disclosed. I don't believe that there was any issue in relation to it not being told. The point that I would make is that translocations happen all the time. I encourage people to go out to Yiraaldiya, which is the old Shanes Park in Western Sydney, where there are koalas literally living who have been translocated and are working really well there. As you know, there were 13 koalas that were translocated from Upper Nepean to South East Forests, and it was not—

The CHAIR: That's hundreds of kilometres. That's very different to Western Sydney, Minister.

The Hon. PENNY SHARPE: I'd need to find out where the koalas came from that have been translocated there.

CORRECTED

The CHAIR: Not hundreds of kilometres away.

The Hon. PENNY SHARPE: Sure. Hindsight is a really wonderful thing. But you know what? There are scientists that were involved in this translocation. There were people from the National Parks Association. There was National Parks. This was not something that was done willy-nilly to say, "Let's just pick up some koalas and chuck them down in the south-west."

The CHAIR: Do you accept something went very wrong?

The Hon. PENNY SHARPE: Yes. That's why the review is being undertaken, as it should. That's why we need to be really careful about that. But I also think we have to be honest. The fact that those koalas died is tragic. The fact that it didn't go as well as people hoped is also terrible. Part of the scientific work that is being undertaken around translocation is about finding refugia and places for koalas in the future. It's around climate change. It's also about—

The CHAIR: Are you aware—

The Hon. PENNY SHARPE: Can you let me finish?

The CHAIR: —that there were scientists that recommended that translocation not go ahead?

The Hon. PENNY SHARPE: Yes, but we were working with a range of—scientists also disagree. We worked with the National Parks Association and with others on that move. They were supervised. We worked with First Nations people, and Yuin Elders as well, around how that was going to work. On this occasion it didn't go well. The full review is still being undertaken because we want to get absolutely to the bottom of it. But the point—

The CHAIR: Translocations with that higher risk around it, are they on hold now? No more will happen?

The Hon. PENNY SHARPE: I believe so, yes.

ANTHONY LEAN: Until the review comes back.

The Hon. PENNY SHARPE: Until the review comes back. I'm just looking at the review.

The CHAIR: When is the review due back?

The Hon. PENNY SHARPE: I am told that it's going to be before the end of the year. That will be a preliminary report. What the review is looking at is the planning, the implementation, the post-release monitoring and response methodologies to identify the lessons learnt. We have considered the potential impact of rainfall events. People shouldn't say this is what I think has absolutely happened, but the main working theory around why it went so bad so quickly is that, essentially, when the koalas went down there was some very heavy rain. They actually went down from the trees and went down onto the ground and became unwell, partly as a result of that particular weather event. I am not saying at all to the Committee that that's what happened. What I'm saying is that, when I have asked about it, that's the working theory. All of these things we're running to ground, as we should. I also want to make the point that translocations are incredibly important and are going to become incredibly important. We've got to get them right. This didn't go well. But we need to learn from it, and that's what we'll do.

The Hon. MARK BANASIAK: Last September, you told Parliament that you expected EnergyCo to deal with the Barrys sensitively, compassionately and expediently. How were those expectations communicated to EnergyCo after you gave me that answer?

The Hon. PENNY SHARPE: In the same terms that you've just read out.

The Hon. MARK BANASIAK: Was there any actual physical communication given to EnergyCo about that, or did you just assume that you—

The Hon. PENNY SHARPE: No, there wouldn't have been. I meet with them regularly and speak to them, obviously, about this. That remains the case.

The Hon. MARK BANASIAK: Does issuing the Barrys take-it or leave-it ultimatums, withholding legal costs that they're entitled to under the Act, using his illness in the recruitment of PR and communications staff, denying access to compensation for biodiversity offsets—does any of that fit into your description or your expectations?

The Hon. PENNY SHARPE: I think we need to work through a couple of different ones. The first thing is, I only became aware of the issue in relation to use in terms of communications—it's completely unacceptable. I have said to EnergyCo that's the case. I understand that they have also apologised, as they should

CORRECTED

have. The point here is that it's just not right. I would make the point that people—and the various communications people in probably all of my agencies would be aware—can make suggestions around what I want to say, but I'm pretty bossy around the way that I want to speak and speak on behalf of people. It was probably a waste of time, anyway. The point here is that it's completely unacceptable. They've apologised, as is appropriate.

In relation to the compensation issues, I know that they are complex. I have met with Mr and Mrs Barry. We took action and have talked through some of the more systemic issues that they have raised. I am really grateful for what they did and for the impact they have had. I want the issues for the Barrys to be resolved as quickly and as sensitively as possible, but I'm not going to enter into a discussion about how that compensation is going to be resolved at this Committee hearing. I don't think that would be appropriate. However, it is very clear what my view is, which is that this should be dealt with empathy and as quickly as possible.

The Hon. MARK BANASIAK: Why are EnergyCo disregarding your view as the Minister? All those things don't point to dealing with this matter sensitively, compassionately and expediently.

The Hon. PENNY SHARPE: I expect better.

The Hon. MARK BANASIAK: Are you going to directly communicate that with EnergyCo?

The Hon. PENNY SHARPE: You betcha.

The Hon. MARK BANASIAK: Do you accept that the apology that they gave was more about the fact that they essentially got caught rather than—

The Hon. PENNY SHARPE: Unfortunately, people tend to apologise once this becomes public. I think that is unacceptable. I have made it very clear that I don't think that's the way that people should deal with it. All agencies across government deal with very sensitive matters for individuals. The idea that they would be used in an identifiable way—I think it's absolutely right that communications and media staff need to understand the types of inquiries they will get, but to use it in that way is unacceptable. It's going to cease from now on.

The Hon. MARK BANASIAK: Is it just the fact that it's identifiable, or is it the fact that it's actually a live situation and this man has got motor neuron disease? The words that were given to potential candidates were, "If you can't handle dealing with the bleeding hearts, this isn't the job for you." Is that an acceptable—

The Hon. PENNY SHARPE: No.

The Hon. MARK BANASIAK: Are you going to issue any directions to EnergyCo?

The Hon. PENNY SHARPE: As I said, they've apologised. They're no longer going to be doing it.

The Hon. MARK BANASIAK: Do you think it's acceptable for them to try and snaffle 243,753 biodiversity credits for free off the Barrys?

The Hon. PENNY SHARPE: I am aware of some of these issues, obviously, but I really think it would be highly inappropriate to deal with a singular case in an open public hearing that is a live issue. The Barrys have written to me, and we'll respond to that. With respect, I'm just not going to go in and out of the details of this case in this hearing.

The Hon. MARK BANASIAK: In how many other cases is EnergyCo dealing with people in this manner? If they're going to deal—

The Hon. PENNY SHARPE: They're dealing with a lot. There is no doubt there is a lot of land acquisition. One of the things I would point to is that in Central-West Orana, for example, 97 per cent of acquisition cases were dealt with without needing to go to court and working through those issues under just compensation. It is a challenging thing for some particular landholders. There is no doubt about that. I know that you have been hearing about that through your hearing, as is appropriate. We're watching carefully with all of that. We're following up the issues that are raised. The thing that I would say to you is, yes, it's going to be challenging. But overall, the numbers in terms of being able to settle this are pretty good. I don't downplay for a minute that for some landholders it is very challenging.

The Hon. MARK BANASIAK: I guess the concern is it's not just about one case. In how many of those cases that EnergyCo have been dealing with have they been using the same tactics that they've used with the Barrys? My concern is that if they're going to do this to a man that's in the final stages of motor neuron disease, how are they going to treat other able-bodied people?

The Hon. PENNY SHARPE: I've been very clear about my view around all of these, which is that it doesn't matter who it is. People should be treated with respect through this process. It's very challenging. This is people's land, and their livelihood and life. It's a really challenging thing. I expect the agencies that deal with this,

CORRECTED

particularly EnergyCo, to do that as well as they can. I also accept that sometimes there are impasses and that people need to move through those. That is also hard. My expectation is that EnergyCo does the best it can with empathy and sensitivity and works through that.

The Hon. MARK BANASIAK: Through you, Chair, can I table documents that go to some of the matters at heart around the case? I would just ask the Minister—

The Hon. PENNY SHARPE: The other thing I'd say, Mr Banasiak, is that the CEO of EnergyCo will be here this afternoon, and I'd encourage you to raise it. The detail of that is important.

The Hon. MARK BANASIAK: Perhaps, on notice, you can provide comments regarding your view on the concerns raised by the Barrys and their solicitors.

The Hon. PENNY SHARPE: The points I'd make is: I'm across the issues and I want the issues to be resolved as quickly as possible, but I'm not going to canvass in here the details—the ins and outs—of what is actually being negotiated.

The Hon. MARK BANASIAK: If we're back here again in a matter of months because EnergyCo are still not following your expectations, are you prepared to take more serious steps in dealing with their failure to meet your expectations?

The Hon. PENNY SHARPE: The point to be made is that I've made my expectations very clear.

The Hon. MARK BANASIAK: But, like naughty children, if they don't meet your expectations, at some point you've got an issue of consequence.

The Hon. PENNY SHARPE: It's a hypothetical. Suffice to say that you and I are on a unity ticket when it comes to this, Mr Banasiak. We want people to be dealt with fairly and sensitively. We want the issues to be dealt with as quickly as they can be. That's ongoing. I've got these docs here. These are legal docs. You can table them. I don't have a problem. But I am really not going to get into the detail here.

The Hon. MARK BANASIAK: I might follow that up with EnergyCo in the afternoon.

The Hon. PENNY SHARPE: If you put stuff on notice—I don't think that's appropriate.

The Hon. MARK BANASIAK: Can I go back to some questions from Ms Munro. She was talking about Central-West Orana, and you were talking about the access rights for those 10 projects. The concerns we heard during the inquiry were not necessarily those ones that had access rights but the 39 other ones that are in the planning pipeline that are causing all this. Are they going to be part of the cumulative impact study as well, given that they are in the planning pipeline and people are responding to them?

The Hon. PENNY SHARPE: I'll go to Mr Lean; he knows more about that.

ANTHONY LEAN: My understanding is that the cumulative impact studies cover all of the development in the area, including other things like Inland Rail.

The Hon. PENNY SHARPE: Can we talk about that for a minute, because it is really important. You're hearing this through your inquiry. The anxiety in communities is that they have people who have been going around for quite a long period of time now—for over a decade—knocking on doors, promising people the world, telling them they've got this great project, telling them that they're going to get all this money and all those kinds of things. There's nothing in New South Wales that says, no, you can't put an application in, but there is a natural limit in relation to the REZs, in particular. Unless it's going to be used locally, if you can't connect to the transmission lines, there's a real issue there.

The Hon. MARK BANASIAK: On that, what is your view on the Dubbo distribution project that is essentially creating a mini REZ on the outskirts of the REZ. A lot of these 39 projects are touted to be tapped into that rather than be granted your access rights. Does your Government have an opinion?

The Hon. PENNY SHARPE: I don't have an opinion about it, but we're obviously watching what goes on. In terms of where that's up to in the planning system, you'd need to ask Minister Scully. As I said, some of this stuff ends up in the planning system. I don't have any decision-making power in relation to that. But the point here is that we have a very carefully planned-out system about how we're going to work it. There are new things that are coming onboard that people want to include. It's not an automatic no, but it's a very careful assessment of that.

The Hon. MARK BANASIAK: You accept that those new things coming on, though, keep adding to your cumulative impact?

CORRECTED

The Hon. PENNY SHARPE: That's if they're approved and if they end up being built. That's the real challenge here. There are a lot of people wanting to do things. Whether they get approved, get financed, are able to connect in and will actually be built is the hardest conversation we have to have with the community because we don't know the answer to that either, and that's a challenge.

The CHAIR: It's over to the Opposition.

The Hon. PENNY SHARPE: Which bit?

The Hon. WES FANG: Me. Speakman can't keep a good, humble bloke from Wagga down. Another Speakman failure, as it turns out. Minister, can we just establish a few things first up?

The Hon. PENNY SHARPE: Have you got docs for me today?

The Hon. WES FANG: I do. We'll get to the docs. Transgrid is responsible for maintaining stability of the electricity network. Is that correct?

The Hon. PENNY SHARPE: Correct.

The Hon. WES FANG: Was it back in about October 2023 that we realised there would be gaps and that the extension of Eraring removed some of those gaps in the stability of the network?

The Hon. PENNY SHARPE: There was the notice that Origin had given of their intention to close Eraring, which I think was probably in late 2022. This is from memory. Obviously when the largest generator within our network comes out, there will be a significant impact, particularly in the short period of time. There are a range of different bodies that give advice around reliability and security gaps, including AEMO. We also get information from AER. We get information from the ACCC. We get information from the AEMC. I'm reliably told there are 70 reports a year that give me advice in relation to how energy is travelling, which is great.

The Hon. WES FANG: In terms of one of those reports, AEMO did tell Transgrid by notice, didn't they, that they had gaps that they needed to address back in 2023?

The Hon. PENNY SHARPE: I can't speak for AEMO about whether they told them that, but if their report—

The Hon. WES FANG: Were you not advised by Transgrid that they were on notice from AEMO that there would be gaps?

The Hon. PENNY SHARPE: I'm not quite sure what you're asking in terms of what I know and when. There are public reports that go out there. My department looks at those issues. We talk to a range of different players. Again, I would say that the privatised system that you have delivered to us makes it a bit harder, but we do that work all the time.

The Hon. WES FANG: Let's not get into that, Minister. I've got a lot of questions.

The Hon. PENNY SHARPE: I'm not quite sure what you're actually asking in terms of what I have done.

The Hon. WES FANG: Transgrid were on notice from AEMO back in 2023 that they were aware there would be gaps in the system. Were you made aware of that?

The Hon. PENNY SHARPE: Yes.

The Hon. WES FANG: You were?

The Hon. PENNY SHARPE: I was aware that there were gaps if Eraring was coming out of system in 2025, yes.

The Hon. WES FANG: You're aware that AEMO put Transgrid on notice in relation to that?

The Hon. PENNY SHARPE: I'm aware that AEMO takes a number of—as to whether I'm directly aware about what they did or not, you'd have to ask them. I don't know what they did. I am aware that they identified a problem, and I'm aware that we then worked through the solution, which was the extension of Eraring to 2027.

The Hon. WES FANG: It was published in *The Australian Financial Review* in March 2025 this year that Transgrid sought \$700 million of grid investment from the Government. Is that correct?

The Hon. PENNY SHARPE: You'd probably have to give me more context and show me the report.

The Hon. WES FANG: I've got the article here.

CORRECTED

The Hon. PENNY SHARPE: I learnt a long time ago, you don't always believe everything that's in the paper.

The Hon. WES FANG: That's why I'm asking.

The Hon. PENNY SHARPE: Do you want to show it to me? If you give me a copy, I'm happy to look at it. I'm not trying to be tricky.

The Hon. WES FANG: I'll provide it to you later. Let me rephrase. Has Transgrid asked you for \$700 million for grid stability?

The Hon. PENNY SHARPE: There have been discussions around what would be needed to do the grid stability, as we had a long conversation just recently around synchronous condensers and the way in which we can bring—

The Hon. WES FANG: Yes, I'm coming to those.

The Hon. PENNY SHARPE: Is that what you're getting to?

The Hon. WES FANG: No, I'm coming there.

The Hon. PENNY SHARPE: There's a need for five synchronous condensers. We're trying to move them as quickly as possible. In the negotiations and discussions that I—and, in particular, my department—have with Transgrid on a regular basis, it's always about how do we keep a secure, strong and reliable network as we're exiting coal. That's part of the conversations all the time.

The Hon. WES FANG: Whilst I accept that, Minister, this article—

The Hon. PENNY SHARPE: Can you show it to me? I'm sorry, I just can't comment—

The Hon. BOB NANVA: Point of order—

The CHAIR: A point of order has been taken.

The Hon. PENNY SHARPE: I can take it on notice and come back to you.

The Hon. WES FANG: I'll pass you the copy once I've asked the question. I've only got the one.

The CHAIR: Mr Fang, hang on a sec.

The Hon. PENNY SHARPE: Normally you photocopy things for me.

The Hon. BOB NANVA: Chair, if Mr Fang is relying on a document that he is asking questions on the basis of, I think it's fair that he table that document and give the Minister an opportunity to review it before proceeding with the series of questions that are dependent on that document.

The CHAIR: It is normally what we do.

The Hon. WES FANG: Sure. I'm just going to ask a question off it, and then I'll hand the document to the Minister. Minister, the article from March indicates that there was up to—

The Hon. PENNY SHARPE: Is this an Angela McDonald-Smith one?

The Hon. WES FANG: Yes, correct.

The Hon. PENNY SHARPE: I give a shout-out to Angela. She does very good reporting.

The Hon. WES FANG: So you do know the article.

The Hon. PENNY SHARPE: I know the reporter.

The Hon. WES FANG: I'll get to the question, finally. Minister, it indicates that Transgrid were seeking up to \$700 million of investment from the New South Wales Government in relation to the purchase of stability items for the grid.

The Hon. PENNY SHARPE: When you say "stability items", is that synchronous condensers?

The Hon. WES FANG: It doesn't actually specify but, yes, I believe that's—we'll get to grid-forming batteries a bit later. Minister, it quotes the CEO of Transgrid, Brett Redman—

The Hon. PENNY SHARPE: Which is a private company.

The Hon. WES FANG: —who says, "If we blow our credit rating up, we can't continue to invest in anything, and we can't invest securely." By leave, I will table that document.

CORRECTED

Document tabled.

The Hon. PENNY SHARPE: Yes, I know. Brett says that regularly. I'm very familiar with those words.

The Hon. WES FANG: I'm sure he does, and there's probably a reason why he does that.

The Hon. PENNY SHARPE: I think it's like for everyone, financeability in terms of rollout is really important. To be fair to the various companies that are trying to do this transition, financeability and the way that they're able to do that is really important. The various settings that Government has makes a big impact on that. The reality of a lot of this is, even since the start of the road map, financeability has become more challenging for many places. The Government is constantly working—whether it's through our tenders or whether it's through the work we did with Origin—on how we work through that very careful management of exiting coal and putting more renewable energy in. Honestly, that is a daily task for the work in my department.

The Hon. WES FANG: I accept that, Minister. You're aware of this article—

The Hon. PENNY SHARPE: Can I have a look at the article?

The Hon. WES FANG: I've tabled it.

The Hon. EMILY SUVAAL: There's another article now.

The Hon. BOB NANVA: Multiple copies, Wes.

The Hon. WES FANG: I've only got on the one. It's AFR. I can't get it through Stream. I had to—long story.

The Hon. PENNY SHARPE: I'm just having a read of this. I think the headline is a little bit misleading in relation to what was actually written by Ms Macdonald-Smith—that is, Transgrid, yes, has to invest \$700 million in things like synchronous condensers. The Government is not paying for those.

The Hon. WES FANG: We'll get into that.

The Hon. PENNY SHARPE: Are you going to let me finish, given that you've made some assertions here?

The Hon. WES FANG: No, I've just asked questions.

The Hon. PENNY SHARPE: We have ongoing negotiations and discussions with Transgrid around that. There's also the issue of how we try to bring those forward. The bill that was passed—that you opposed—in Parliament recently was about managing some of the issues that are pointed to in this article, which is how can Transgrid get movement and reach their own financial close on getting this material earlier while they're waiting for regulatory certainty in relation to that. That is exactly the point. We go the point that Ms Munro was rightly making earlier, which is how can we do these things faster and we're worried about time frames. This kind of action is absolutely in the target range for what we're doing every single day.

The Hon. WES FANG: I've given another document up. I ask for that to be distributed. I have 20 copies of that one, so there should be one for everybody and we don't need to—

The Hon. PENNY SHARPE: Is this the Transgrid synchronous condensers?

The Hon. WES FANG: That's the one. Minister, before I get to that document—I was actually going to put another question while they circulated it. You're aware of this *The Daily Telegraph* article that was published earlier this month?

The Hon. PENNY SHARPE: I can't see it, so no. You'd better tell me. My eyes aren't that good.

The Hon. WES FANG: "Serious risk of blackouts': Report reveals flaw in AEMO's renewable energy plan."

The Hon. PENNY SHARPE: Are you going to circulate it to me?

The Hon. CAMERON MURPHY: Point of order—

The Hon. WES FANG: I've got one copy, but—

The Hon. CAMERON MURPHY: The member should table a copy of that article so the Minister can see it.

The Hon. WES FANG: It's a newspaper article. I would think that the Minister is aware of the media that's involved in her portfolio.

CORRECTED

The Hon. BOB NANVA: I don't think she's got an encyclopaedic memory of articles that are—

The Hon. WES FANG: But, okay. There's a copy.

The Hon. PENNY SHARPE: I'm pretty good, but article by article is a bit of a challenge.

The Hon. WES FANG: No, fair enough.

The Hon. PENNY SHARPE: I appreciate you providing it to me. Thank you.

The Hon. WES FANG: In relation to that, Minister, when were you first aware that we wouldn't have enough synchronous condensers to meet the targets that Transgrid are required to meet?

The Hon. PENNY SHARPE: I'd have to take on notice the precise date. There's a couple of things. I am generally aware about these. There are regular reports—several almost every month—that are tracking all of these things, whether they come from AEMO or a range of other market bodies in relation to this. I also have very diligent and good people in my department who are watching this and talking to the various companies all the time. The thing that I would point out is that AEMO's recent report shows that the gap is actually further out as a result of both Eraring—but, importantly, the fact that the renewable energy that we've been approving, and that has been coming to financial close and being built, is now going into the system. There's also—

The Hon. WES FANG: That's not the question I asked, Minister.

The Hon. PENNY SHARPE: That's fine, but you can't just pick and choose the bit that you want to ask without actually understanding the whole picture.

The Hon. WES FANG: The question was when were you aware that—

The Hon. PENNY SHARPE: I told you.

The Hon. WES FANG: —Transgrid did not have enough synchronous condensers?

The Hon. PENNY SHARPE: That's not the way that I would characterise it. There has been an identification around system strength, which is incredibly important as we move from base load power provided by coal-fired power stations to renewables, which come on and off and move around the grid. We firm them and we store them—

The Hon. WES FANG: Minister, the question was about the synchronous condensers.

The Hon. PENNY SHARPE: Yes, I'm trying to explain to you why synchronous—

The Hon. WES FANG: But you're diverting off to points—

The Hon. CAMERON MURPHY: Point of order—

The Hon. PENNY SHARPE: I'm trying to actually explain to you, because I don't think you know what you're asking.

The Hon. CAMERON MURPHY: Point of order, Chair—

The Hon. WES FANG: I know exactly what I'm asking.

The Hon. PENNY SHARPE: I don't think you do.

The Hon. WES FANG: I'm asking you when did you become aware—

The CHAIR: Mr Fang—

The Hon. CAMERON MURPHY: Point of order: The question has already been asked and answered in that the Minister said generally she is aware of it, and said she'd have to take the precise date on notice.

The CHAIR: So the point of order is?

The Hon. PENNY SHARPE: Asked and answered.

The Hon. CAMERON MURPHY: It has been asked and answered.

The Hon. WES FANG: I'll continue.

The CHAIR: You can continue, Mr Fang.

The Hon. PENNY SHARPE: I'm happy to do that. What is the question? What are you trying to—

CORRECTED

The Hon. WES FANG: I'm getting there, Minister. All I'm asking you to do is answer the questions that I'm asking you in the sequence that I ask.

The Hon. PENNY SHARPE: Which I have done.

The Hon. WES FANG: Minister, if you have a look at—

The Hon. PENNY SHARPE: I'd like to educate you on how the electricity system works.

The Hon. WES FANG: Minister, please don't be patronising towards me.

The Hon. PENNY SHARPE: I think understanding the electricity system is good for all of us.

The Hon. WES FANG: Minister, you're now wasting my time. I've put in front of you page 8 of the PACR document from Transgrid. Do you agree that it indicates that there are serious gaps around 2027-28 and 2028-29?

The Hon. PENNY SHARPE: I agree that, yes, there are identified risks of gaps that we've been aware of that we're actually working to close.

The Hon. WES FANG: Can you identify, at the bottom of the page that is highlighted what it indicates about Eraring?

The Hon. PENNY SHARPE: Do you want to read it to me?

The Hon. WES FANG: It states:

... up to 2% of the time in 2027/28 across all portfolio options after the closure of Eraring Power Station ...

Now that's in relation to the risk of gaps in the minimum level of service. So 2 per cent—that's one in 50, in effect.

The Hon. PENNY SHARPE: Your maths.

The Hon. WES FANG: In 2027-28—

The Hon. PENNY SHARPE: I don't trust Wes' maths, but if that's your maths, sure.

The Hon. WES FANG: You don't trust Wes' maths?

The Hon. PENNY SHARPE: No, I don't.

The Hon. WES FANG: That's fine. Minister, that's one in 50. In effect, in 2027-28, if you don't continue to keep Eraring open, you are potentially going have up to seven days where we have a complete grid failure like we did in Spain. Do you accept that that's the case?

The Hon. PENNY SHARPE: No.

The Hon. WES FANG: Why not?

The Hon. PENNY SHARPE: There are two issues. One is there is a decision in relation to Eraring about whether it stays open or not, which I think everyone accepts is unclear. It's a matter for Origin. More importantly, the second half that no-one wants to talk about is that the reason why the most recent ESOO, which is the energy security outlook from AEMO, shows that the gap is better up until 2028-29 is because of the amount of renewables that are going in at the same time.

The Hon. WES FANG: I'm not talking about the gap, Minister; I'm talking about the security and stability of the grid.

The Hon. PENNY SHARPE: Yes—

The Hon. WES FANG: Do you accept that the stability of the grid—

The Hon. PENNY SHARPE: Do you want to let me finish? That is why the piece of legislation that we put through the House—(a) was urgent, (b) you opposed, (c) gratefully and thankfully the Liberal Party supported—will allow us to bring synchronous condensers into the system between 12 and 18 months faster than we would otherwise. That is exactly what we're doing, which is why I don't accept—I look at all of these reports and I take them all very seriously. That's why we take the action that we do to manage the exit and the entry.

The Hon. WES FANG: Minister, have you been advised that those synchronous condensers will not arrive and be installed in time to meet Eraring's closure in 2027?

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The Hon. PENNY SHARPE: No. The reason why we took action was about trying to move that forward. I believe that we can get an acceleration, and that's what we're trying to do.

The Hon. WES FANG: You believe? Have you been guaranteed that those synchronous condensers—

The Hon. PENNY SHARPE: I can't guarantee any of that. If I could guarantee all of this, my life would be much easier. But the point is—

The Hon. WES FANG: Minister, it appears from the documents—

The Hon. PENNY SHARPE: —that what I'm doing is taking my job very seriously.

The Hon. WES FANG: Yes, I'm taking my job very seriously as well, Minister.

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

The Hon. WES FANG: No, I'm asking you a specific question here.

The Hon. PENNY SHARPE: I hope you understand the question.

The Hon. WES FANG: Are you guaranteeing that synchronous condensers to supply grid stability and strength will be installed and functional before Eraring is due to close in the middle of 2027?

The Hon. PENNY SHARPE: I'm guaranteeing that the work that we're undertaking to bring forward the installation of synchronous condensers is continuing at pace. I really hope that if there is other legislation that is required, you will support it as necessary.

The Hon. WES FANG: Minister, we've established that we knew back in October 2023 that there would be gaps. We know now that there were letters from EnergyCo to Transgrid, saying that they would be supplying a number of synchronous condensers. We now know that in March Transgrid wrote to you seeking \$700 million of investment—

The Hon. PENNY SHARPE: No, sorry, they didn't—are you suggesting that they wrote to me about that? I'm not aware of that.

The Hon. WES FANG: Well, they asked the Government for \$700 million.

The Hon. PENNY SHARPE: Sorry, no.

The Hon. WES FANG: I assume they would have written to you. Maybe they wrote to the Treasurer. Maybe they went straight around you.

The Hon. PENNY SHARPE: Please don't make—

The Hon. WES FANG: Maybe they go to the Premier. I don't know.

The Hon. BOB NANVA: Point of order—

The Hon. WES FANG: But certainly Transgrid needed \$700 million.

The Hon. PENNY SHARPE: I don't accept that.

The Hon. WES FANG: The question is, why did you leave it so late to order the synchronous condensers?

The CHAIR: A point of order has been taken.

The Hon. PENNY SHARPE: It's okay. I can honestly answer this. What you have tried to string together here is just—I don't actually agree with half of it, and I don't think most of it is correct. I'm happy to take on notice and clarify the matters that you have raised in relation to the sorts of assertions that you're making, but I do not accept them. I will deal with the detail of what you have asked here. I think you're trying to prosecute a case that says that we've taken no action. I just don't think anything could be further from the truth. I find it extremely ironic that you actually opposed the legislation—

The Hon. WES FANG: Minister, that's irrelevant.

The Hon. BOB NANVA: Point of order—

The Hon. PENNY SHARPE: —that would allow us to get the synchronous condensers.

The Hon. CAMERON MURPHY: Point of order—

The Hon. WES FANG: Minister, I'm asking about the actions that you've done.

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The CHAIR: A point of order has been taken.

The Hon. PENNY SHARPE: I'm not talking about the actions—the impact that you have. Do you actually—

The Hon. WES FANG: Stop wasting my time.

The CHAIR: A point of order has been taken.

The Hon. WES FANG: Minister, why did you wait until you had to rush a bill through in two days to try to fix this problem?

The Hon. CAMERON MURPHY: Point of order—

The CHAIR: Mr Fang—

The Hon. WES FANG: You're still not going to get the synchronous condensers in time.

The Hon. BOB NANVA: Point of order—

The CHAIR: Mr Fang, a point of order has been taken.

The Hon. CAMERON MURPHY: This is a process where questions are asked and the Minister should be entitled to respond. What's happening consistently here is that Mr Fang is interjecting, verballing the Minister and asking new and different questions over the top of her. It's really unhelpful to this process. I know he doesn't like the answers that he's getting, but he should be treating the Minister with courtesy and respect and allowing her to answer the questions properly before he asks a new one.

The CHAIR: Mr Fang, you do know the rules, and I will uphold the point of order. Let's proceed accordingly.

The Hon. WES FANG: Minister, you had to rush a bill through in two days in the last sitting week of Parliament to deal with the issue of synchronous condensers. Is that correct?

The Hon. PENNY SHARPE: I put a bill through the Parliament which the Opposition was briefed on around five days before it was necessary so they could consider the issues. It went through the lower House with the support of the Opposition, gratefully. Then it came to the upper House, and you seemed to have an issue with it. I can't talk to your—

The Hon. WES FANG: Minister, I'm asking you about—the voting issue is irrelevant.

The Hon. CAMERON MURPHY: Point of order—

The Hon. WES FANG: No, don't waste my time, Cameron. Come on.

The Hon. CAMERON MURPHY: This is a new interruption on exactly the same issue. If this continues, I think you should call Mr Fang to order.

The CHAIR: You've heard that point of order. Please proceed with courtesy in accordance with the rules.

The Hon. WES FANG: Minister, I'm asking you—

The Hon. PENNY SHARPE: Yes, will you let me finish?

The Hon. WES FANG: Did you rush a bill through in two days in order to fix the issue around synchronous condensers?

The Hon. PENNY SHARPE: I don't accept that it was rushed through. I do accept it was done on a short timetable. I don't accept for a minute that it was rushed through, and nor did the House by the way. It was required to be an urgent bill, and that was not opposed. In fact, the Opposition indicated that they were going to be supporting the bill. Leaving that aside, the issue around reliability, system strength and generation need is something that's being done in real time as renewable energy goes into the system. It's constantly changing. What was said in 2023 is quite different to now. All of these things at various points have been flagged, and that's exactly what I, as the Minister, and my departments do—is to actually deal with these matters on the way through.

In relation to this particular bill, I don't accept that it was rushed through. I accept that it was urgent for the very reasons that you've just identified, which is that system strength is becoming an incredibly important part of the system, and coal-fired power stations provide a degree of system strength that is going to need to be replaced. I'm very optimistic actually that some of the coal-fired power stations will be able to do it.

The Hon. WES FANG: Minister, you're now transversing parts of the—

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The Hon. PENNY SHARPE: No, I'm talking about the importance of—

The Hon. WES FANG: No, you like to talk in these broad terms. I'm asking specific questions. The bill that went through in two days, effectively widening what you could call—

The Hon. PENNY SHARPE: With the agreement of Opposition mostly, except the National Party.

The Hon. WES FANG: Now you're interrupting me, Minister. It's a two-way street. The bill that went through in two days was to fix the issues around synchronous condensers. You were aware of that issue many months before—in fact, years before. In the little time I have left because, between you and Mr Murphy, you've managed to waste a lot of my time, the actual—

The Hon. PENNY SHARPE: Is there a question?

The Hon. WES FANG: Yes, there is a question coming, Minister. The statement of public interest in relation to the bill that went through—did you read that before it was submitted?

The Hon. PENNY SHARPE: Yes.

The Hon. WES FANG: What struck you about the consultation of the bill—in the consultation section of that?

The Hon. PENNY SHARPE: I'm very comfortable with the bill, with the consultation, why it was needed and why it was done in the time frame it was.

The Hon. WES FANG: I will reference—

The Hon. PENNY SHARPE: I have no problem with it. You're the only one who has a problem. You're also traversing a decision of the House.

The Hon. WES FANG: I will reference who you've said you consulted. "The department of climate change and energy consulted with key stakeholders ACERREZ, Ausgrid"—whatever. Nowhere does this talk about communities and landholders. You didn't go to them and discuss this bill with the community and the landholders. Nowhere did you consult with them. Do you accept now that you should have consulted with our communities and our landholders about this bill before you rammed it through in two days?

The Hon. PENNY SHARPE: This bill does not change any of the community consultation or the requirements in relation—

The Hon. WES FANG: So you're not going to apologise for not having consulted?

The Hon. BOB NANVA: Point of order: Mr Fang is routinely breaching paragraph 19 of the procedural fairness resolution, which extends courtesy to the witness. He's done this on a number of occasions, and I echo Mr Murphy's point that he should be called to order.

The CHAIR: Thank you for reminding me of the number of the order that is being breached. Mr Fang, pull your head in a bit. I'm not going to call you to order right now, but you are on notice.

The Hon. WES FANG: I accept that.

The CHAIR: It is now time for Mr Ruddick to ask some questions in an orderly manner.

The Hon. JOHN RUDDICK: Minister, the percentage of global carbon emissions generated here in New South Wales is 0.4 per cent. The New South Wales Government's latest emissions data indicates that in 2023 the New South Wales coal sector accounted for 13 per cent of that 0.4 per cent. The data also found the coal sector's emissions in New South Wales have fallen by 28 per cent since 2005, which is faster than the State average of 25 per cent. The coal sector is also 95 per cent covered by the Commonwealth's Safeguard Mechanism and is therefore one of just a few sectors in New South Wales with a legislative requirement to reach net zero by 2050. Are you aware that the New South Wales Government and the EPA are proposing to impose an entirely new, additional layer of costly regulatory bureaucracy on coalmining in New South Wales?

The Hon. PENNY SHARPE: The short answer is, yes, I'm aware of that. I don't necessarily agree with the way in which you have construed some of it. The point here is that New South Wales has legislated targets.

The Hon. JOHN RUDDICK: In addition to the Commonwealth's.

The Hon. PENNY SHARPE: Yes. That's no secret. That's what we have. We have our own targets, which we are seeking to meet. We also have a climate action plan that the EPA is undertaking, which is for everyone who holds an environmental licence. The reason for that is as a result of a court case which said that you've got to include carbon pollution in relation to licences. That's the work that's being undertaken by the EPA,

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and they are fulfilling that. I'm very happy to hand over to Mr Chappel to give you more detail about that, but the thing I would say is that the good news around mining is the reduction in emissions. That's really good. The guidelines that are currently being consulted about are not necessarily going to be mandatory, but they are going to be part of the consideration in relation to licences in the future.

It's actually a bit of a challenge here, Mr Ruddick, because Sue and others, and Abigail definitely would be saying that the work that the EPA is doing around the licensing work for everyone to have a plan for net zero—actually, an identifiable plan to get to net zero by 2050—is not going fast enough. The EPA, in my view, is doing very careful work with the various licence holders. They've been careful around the guidelines and the consultation. While some people don't necessarily like what's actually coming out of that, I really wouldn't fault them in relation to the amount of engagement and industry engagement that's going on so that people understand that. I might hand over to Mr Chappel in relation to that. I don't believe that it's unnecessary. I believe that, in terms of meeting our legislated targets, which the Parliament has passed and which I know that you oppose, that's the job, and we're getting on with it.

TONY CHAPPEL: Just to briefly add—and I'm happy to elucidate further—these are designed to be complementary measures to the safeguard, not duplicative. They are really about ensuring that onsite abatement, where it's economic and feasible and practical, occurs here in New South Wales and—much as with workplace safety where the mining sector has now demonstrably achieved world's best practice through years of hard iteration and what were, at first, challenging regulatory stances. As we move to net zero mining, to have a viable, thriving mining sector for the centuries ahead—this is going to be another journey that we have no doubt the sector is capable of managing and succeeding through.

The Hon. JOHN RUDDICK: Mr Chappel, the EPA has in July this year released three papers. The first was called the *Proposed Climate Change Licensee Requirements*, the second was *Climate Change Mitigation and Adaptation Plans: Proposed Mitigation Requirements*, and the third was the *Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines*. We have the Commonwealth regulation, and now we're proposing to bring in a new level of New South Wales regulation, which you say is complementary. What is the proposed commencement date for the New South Wales new regulatory arrangements?

TONY CHAPPEL: As you've mentioned, Mr Ruddick, these three documents are open for public consultation now. We're also doing a lot of direct sectoral engagement with different participants in various sectors. The proposed requirements capture about 200 environment protection licence holders that emit over 25,000 tonnes each of greenhouse gases per annum. They make up about 45 per cent of New South Wales greenhouse gas emissions. The mitigation guide that you referenced for coalmines sets out some specific abatement actions over the next five to 10 years, including a proposal for a 2030 target for what's called ventilation air methane for particular underground mines to be in place, something called pre-drainage or flaring of gas by 2027 for underground mines, and low-carbon fuels as a proportion of fossil diesel fuel used onsite from 2030, but increasing through time consistent with the renewable fuels approach the Government's seeking to take. Those dates, though, are all subject to consultation, so they're not set.

The Hon. JOHN RUDDICK: You know that since 2005 New South Wales's carbon emissions have reduced by 25 per cent, but for the coal sector in New South Wales it's dropped by 28 per cent. Do you accept that even if the NSW EPA did absolutely nothing—did not bring in this new regulatory framework—the New South Wales coalmining sector would still reach net zero by 2050 because of the Commonwealth's Safeguard Mechanism?

TONY CHAPPEL: I don't think that's accurate for the sector. The Safeguard Mechanism only kicks in at a particular threshold. We have quite a number of installations here in New South Wales that don't trigger that threshold. The other point I'd make—obviously we're subject to New South Wales law, which sets science-based targets. The science is very clear that to avoid a high risk of what you might consider catastrophic escalating climate change, we need to reduce our emissions globally by about half by 2030, and obviously to zero by 2050. Those are the New South Wales legislative targets; they're not, at this point in time, the safeguard targets for 2030.

It's very impressive, a lot of the work the coal sector's done. I actually believe Australia and New South Wales is very well placed to capitalise on pioneering net-zero mining technology, not just in this part of the sector but across the sector. But our observation of the way the Safeguard Mechanism's currently operating is that because it uses sector averages, there are many large New South Wales mines that are essentially creating credits through business as usual. There's no necessarily particular incentive that we're yet observing that's kicking in for onsite abatement to reduce emissions here in New South Wales.

The Hon. JOHN RUDDICK: Minister, this new regulatory framework is targeting coal first-up. I'm worried that it's going to be expanded to other EPA licensees in New South Wales—

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The Hon. PENNY SHARPE: Mr Ruddick, you don't need to be worried about it; it is going to.

The Hon. JOHN RUDDICK: I'm worried about the cattle industry. When do you think the agricultural industries will be captured by this?

The Hon. PENNY SHARPE: Mr Chappel, do you regulate very many of them?

TONY CHAPPEL: We regulate some large feedlots and installations, but not a high number.

The Hon. PENNY SHARPE: The way that we're dealing with this is we've obviously got the targets that are legislated and we've got the Net Zero Commission that's providing with us advice. The work of the EPA runs along parallel to that. We're starting to look at—the next three places of where emissions are going to be is actually transport, built environment and agriculture. Working on all of those matters is something that will get more attention as we get closer to 2030, 2035 and 2050.

TONY CHAPPEL: Perhaps it's worth adding, Mr Ruddick, that regulation doesn't have to operate the way that, perhaps, people often conceive of it—as a direct burden on a particular site, being an individual farm. There are ways to use regulation and policy together to pull innovation through and incentivise it and make sure local farmers have the market access, where border-adjustment mechanisms are contemplated for carbon issues, but also have the economic incentives to innovate and improve their productivity. I have been to a number of very impressive installations in New South Wales that are essentially net zero already—piggeries and the like. It's really worth seeing.

The Hon. JOHN RUDDICK: I'm quite attracted to the Western Australian model. They've had a long-term, popular Labor Government over there and they have a coalmining industry. The Western Australian Government has released a paper entitled "Greenhouse Gas Emissions Policy for Major Projects". This is the Western Australian Labor Government. They said:

... the Government has determined that where proposals with significant greenhouse gas emissions are adequately dealt with by other regulatory measures such as the strengthened Safeguard Mechanism—

the Commonwealth mechanism—

those emissions should not be regulated by the—

Western Australian Government. Then it goes on to quote part of their law. Again it says, "The State will no longer apply conditions to reduce net greenhouse gas emissions" when there is an alternative regulatory measure. What is Western Australia doing wrong that we—

The Hon. PENNY SHARPE: That's what they've chosen to do; that's not what we're choosing to do.

The Hon. JOHN RUDDICK: What it's going to do is that it's going to free up—since New South Wales is going very hard down this area, it's actually going to free up Western Australia to be able to emit more carbon.

The CHAIR: I'll take that as a statement. Ms Boyd has the call.

Ms ABIGAIL BOYD: Thank you, Chair. Good morning to you, Minister and officials. Can we start with energy bill relief rebates. I understand, Minister, that your Government's cut energy bill relief rebates at a time when the cost-of-living crisis is worsening, energy bills are going up and more people are being forced into energy poverty. Why is that?

The Hon. PENNY SHARPE: First of all, we accept absolutely that the cost of energy is a really major part of every household's decision-making. When we first came to government was when we had the highest wholesale prices that we'd seen in many decades—as a result of international instability, shall we say—and we had rising prices. You'd recall that there was actually intervention in terms of reducing costs even then, which cost a lot of money to subsidise that on top of the rebates. Through that period, we put an additional \$100 million on top of the rebates that we had, but that was always time limited and that came to an end. There's still \$330 million worth of rebates. Eligibility's about one in every three households in New South Wales, as are targeted. There's also, in addition, the Federal rebates that are there.

There are two other things, though, I think that you'd probably be interested in. One is that we're doing a debt relief trial, which is, where people have got themselves into really serious trouble, actually working through with financial counsellors to (a) get them out of debt but (b) be able to help them deal with energy costs. We've also got the EAPA scheme, which is where people—that's up to \$1,600 a year for people, to support them. Yes, there is a reduction in terms of what we were providing over the last two years, but it was always designed to do that.

The other work that we're really trying to do, which I accept doesn't get to everyone—but the work that we're doing around energy-efficient upgrades across social housing. For example, 27,000—I think it's going to be

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more now; I think it might be 32,000—households are basically being funded, with the Commonwealth, to upgrade. That's sometimes solar but it's also about appliances, it's also about insulation—really making a lot of that social housing stock. That's a really big change that will help people with their bills as well. There's a bunch of work we're doing around the rollout of solar, to a lesser degree, batteries, particularly for lower income households, to deal with that.

Ms ABIGAIL BOYD: When we look at these lower and low-income households and energy affordability, another obvious issue comes up as a lot of those households are renters and don't have any kind of power over the—pun intended—over their power source.

The Hon. PENNY SHARPE: No, that's right.

Ms ABIGAIL BOYD: We've spoken in the House before about moves by numerous local councils to ensure and update their own planning controls to make sure that we don't build new builds with gas connection because of the fact renters don't really have a choice, but also because of the cost of retrofitting them and stripping out the gas later. Although councils are making that move, a thing like the TOD SEPP overrides and pushes out a lot of those controls. Have you looked at ensuring that "no new gas or no gas connections in new builds" also makes its way into those new developments under the TOD SEPP?

The Hon. PENNY SHARPE: The specifics around the TOD SEPP itself I'd need take on notice because I'm actually not sure of all of that. What I do know, though, is that there's a significant number of new builds now that aren't putting gas in, by choice. I can't tell you in terms of the public and private market, but I'll try to get some information for you, and what we can provide, we'll take on notice. It's not the Government's intention to do a blanket ban in terms of new connections, but others are taking that step and we acknowledge that. The point that you're making though is correct—electrification can lead to huge amounts of savings because of the cost of gas. We've got a number of programs that are encouraging that. We've obviously got the energy savings—I can never remember what it is, but the ESS. What does it stand for?

ANTHONY LEAN: Yes, Energy Savings Scheme.

The Hon. PENNY SHARPE: Yes, there we go. There are a lot of terms. That is the work around people being able to get subsidies to do that. But I do accept your fundamental point, which is how are we dealing with this with renters. I think that it remains a really big challenge that no-one has really been able to crack because the financial incentives around it are very challenging. How do you get a landlord to put this in and then not raise the rent? How do you get someone not to put it in and then kick out the—and we've done no-grounds evictions, but I don't think there are any jurisdictions that have really gotten to grips with how we do that. But what I would say to you is that when we're thinking about the work that we'll be doing with our Consumer Energy Strategy, how we can maybe have some incentives around that—and we're finalising what that looks like—where renters could do something with landlords, with agreement, is something that we're very interested in. I just don't think anyone has managed to land it, but I do think it's important.

The other point that I'd point to, though, which has been a really great project, is the solar for apartments. It's a relatively small scheme. It's \$25 million in New South Wales, which is actually from the Feds, but we're rolling it out. I think the great excitement that I've got about that is that so many people live in strata. If you can get the strata committee ready to do it, the way that it works means that the solar that comes from the roof, everyone actually benefits from. I've been to blocks of units where they've been able to do that. In some ways, that might be the first time we'll start to see more renters being able to get the benefit in the most easy way. I don't have all of the detail for you, but that reminds me I might get them anyway. It might be something I actually tell the House about, because I think we are finally cracking some renters, I suppose is what I'm saying.

Ms ABIGAIL BOYD: On that point, we're all hoping we're on the cusp of a really big build of new housing. There are a lot of plans for new apartment buildings, particularly in those areas where councillors have decided that they don't want to have new gas connections in new builds. Is that something you'll look into and maybe talk about with your colleagues, in relation to making sure, because it's a State significant or a TOD SEPP development, that it's not going to override the councils' wishes?

The Hon. PENNY SHARPE: I'll need to get more detail because some of that is Planning stuff. I'll need to get advice about that and I'm happy to provide that. But the other thing to be aware of is that gas demand in households is actually coming down in New South Wales. There are a lot of places where gas connections are not being made. But, as I said, the Government has been pretty open about that. We're not going to move to ban that; that's not the priority issue for us. But it is something that we're keeping an eye on, and there are lots of different ways that we're encouraging people to electrify, because it's actually cheaper for them.

Ms ABIGAIL BOYD: I want to ask about second-generation anticoagulant rodenticides, or SGARs. I asked you about this in the last estimates on supplementaries, I think, asking whether you were going to take

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action to nominate SGARs as a key threatening process under the Biodiversity Conservation Act. You replied no. I understand that the APVMA is due to deliver its final regulatory decision in the next few months on its review of SGARs.

The Hon. PENNY SHARPE: Yes.

Ms ABIGAIL BOYD: Once that's delivered, it will be up to the State and Federal governments to take action. Given the significant threat that SGARs are posing to our wildlife, is this something that you'll be advocating for—to ban the sale of retail SGARs?

The Hon. PENNY SHARPE: I'll wait for the report and deal with it. I am very across the challenge that it has, particularly for some of our endangered owls and others. This sort of came to the fore when we had the mouse plague, so there's how we deal with that. A lot of this control also, just to be clear, actually doesn't sit with me; it sits elsewhere. But we're keeping an eye on it. I'm obviously concerned about it, but maybe we'll report back once we see that report.

Ms ABIGAIL BOYD: Because of a lack of accessibility now when it comes to battery subsidies, a lot of consumers are being encouraged to join a virtual power plant or VPP instead. They don't always operate in the best interests of consumers, and there's been criticism about the lack of regulation of those VPPs. Will you look at introducing regulations or minimum standards to ensure that there's better VPP regulation and consumer protections?

The Hon. PENNY SHARPE: We're doing that all the time. A lot of this is actually being done nationally, in terms of the rules and the standards. AEMC, which is the rule-making body, and AER, which is the regulator, are looking at all of those. We've made some recommendations around things like embedded networks and others. The thing I'd say about the importance of virtual power plants is that virtual power plants allow us to actually share the benefits of grid stability and other things within the grid, not just to the people who have it on their house.

First of all, there is a public benefit in being able to share that, particularly for people who can't access renewables, for example, in their areas. Having access to that and the stability of the grid that that provides is really important. That's something that we're continuing to deal with. It's an evolving area, but the orchestration via—at the moment, under the Federal plan, a thousand batteries are going in a day. It's pretty exciting. It actually means we have to have less of the big kit and more of that, but we need to orchestrate it, because otherwise the benefit to just one household is not really there. I'm constantly reviewing our PDRS scheme, which is what the VPP stuff sits under. Is it working? Is it enough? What are the other incentives? How do we make it fair for people?

Ms ABIGAIL BOYD: Would the consumer advocate, under the PDRS, have a role in ensuring that consumers are—

The Hon. PENNY SHARPE: I don't think so, but let me find out. I don't believe so, no.

The CHAIR: Ms Munro, you've got time for a question.

The Hon. JACQUI MUNRO: Minister, according to the PSA, your department is proposing to bring together regulatory functions currently spread across conservation programs, heritage and regulation, with National Parks and Wildlife Service, into a single unit. Is that the case?

The Hon. PENNY SHARPE: The short answer is yes. I might hand to Mr Lean if you've got detailed questions, because he's leading all of that work.

The Hon. JACQUI MUNRO: The main question is will this lead to any job losses or a reduction in headcount in those areas.

ANTHONY LEAN: No, that's not the intention of the reform. It's essentially to build a consolidated regulatory function within the department that brings together a number of disparate functions at the moment. That will need to be established, and then we'll work through any changes.

The Hon. JACQUI MUNRO: Minister, media coverage of shark nets in the last couple of days revealed a bit of a disconnect between councils and the Government. Will you be speaking to Minister Moriarty about shark nets and their rollout?

The Hon. PENNY SHARPE: As you've rightly identified, the shark net program is not something that I am responsible for; however, I take a close interest. Anyone would know that. I really welcome that the councils have been talking to the Government around that. There's been a lot of discussion over time. We've now got some

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really great technology. I do talk to Minister Moriarty about a range of things—I'm not going to tell you the details of all of that.

The Hon. JACQUI MUNRO: Do you think the nets should be removed?

The Hon. PENNY SHARPE: There are ongoing discussions, which I welcome, with those councils. They've been very open to that. I know some councils have a very firm view around removal of the nets—

The Hon. JACQUI MUNRO: But your view, as the Minister for the Environment?

The Hon. PENNY SHARPE: Yes, is that I think we need to find a way to keep the community safe—

The Hon. JACQUI MUNRO: Do you think the Government should be funding—

The Hon. PENNY SHARPE: Can you let me finish my sentence, please?

The Hon. JACQUI MUNRO: Do you think the Government should be funding the removal of shark nets with new technology to replace it?

The Hon. PENNY SHARPE: The Government is already doing that. The Government has got SMART drum lines; it's got listening devices; it's got drones. The discussions are ongoing with the councils and I think they're really welcome, and they should continue.

The CHAIR: Minister, obviously you were as concerned as I was about the data indicating that land clearing has increased by 40 per cent. Are you in conversation and have you alerted the Minister responsible for the Local Land Services Act and the land clearing that takes place under the codes about how concerning this data is?

The Hon. PENNY SHARPE: Everyone is aware of what the data says in relation to this and the fact that land clearing remains at very high levels. I can provide you with a bit of detail about what we're doing about that because it is extremely important, and the impact on biodiversity and emissions reduction is also high. The important thing, probably as you know, is that this Government has a commitment around reducing land clearing. I think we said it even stronger than that because I think I wrote it: stop runaway land clearing. That's something that is ongoing.

A lot of the levers for that again don't sit with me. We have the legislation that was put through by the previous Government in 2016 where you basically see the uptick in relation to land clearing. That's going to take a little while to be able to work through and reduce. There's no doubt about that. We're not going to be able to turn it off overnight. Basically we're seeing double the figure of land clearing over time. But what are we doing about it? First of all, the good news is that I'm talking a lot to a lot of farmers about this because we have new tools in relation to support for landholders where land clearing isn't just the first thing that you can go to. There's a whole range of different market programs, work in private land conservation where there's actually support for people to do this rather than clearing. We're talking about that and really trying to work through that.

We're seeking the advice from the Natural Resources Commission on how do we do landscape, how do we actually reduce land clearing over time. That's got farmers, it's got scientists—we've got James Trezise from the Biodiversity Council, for example, on that. That is really the piece of work that I think will help us address the issue. So yes, I accept it's an issue. We've also got the changes that we'll make to the Biodiversity Conservation Act which will come forward. We're in the middle of consultation about that. It's something that's very serious; it's something that we need to address. But it's going to take a while to sort of unscramble some of the omelette that we were left with.

The CHAIR: I'm going to go to Government time. Just on that NRC work that you said, is that something—

The Hon. WES FANG: "I'm going to go to Government time," but I'll just throw in a question in 15 parts.

The CHAIR: It might save the Minister a lot on supplementary questions. Is that NRC work, what is being commissioned, available?

The Hon. PENNY SHARPE: Let me just check. Obviously the NRC doesn't sit under me, but my understanding is that there are stakeholder consultations. I just don't know how wide they are. I do have some additional information, I think, for the Committee.

The CHAIR: It is Government time. This is your time to do it, Minister.

The Hon. PENNY SHARPE: Thank you, if I can provide that?

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The Hon. BOB NANVA: Minister, do you have any additional information?

The Hon. PENNY SHARPE: I do. Thank you, Mr Nanva. I do want to update the following, which went to Ms Munro's question around investment and where that's going. The *2025 Clean Energy Outlook* by the Clean Energy Investor Group found New South Wales overtakes Queensland as the most attractive jurisdiction for clean energy investment. We don't take that for granted. It really does go to the importance of the bipartisanship and the certainty that New South Wales has had in relation to this. We've got a road map, we're implementing the road map—

The Hon. WES FANG: Badly.

The Hon. PENNY SHARPE: I know the Liberal Party and the Government may quibble around some of the process around this. I am worried that the National Party seem to be dropping this, seem to be dropping commitment for net zero, because there's literally tens of billions of dollars worth of investment coming to New South Wales that's on the book for this and we really need to do that. Having said that, I welcome the outcomes and working every day to actually deal with the barriers that people have and deal with the challenges that we've got. I think Ms Munro asked me about the Transmission Planning Review. My understanding is that it's being finalised very soon. It hasn't come to me yet, which is why I wasn't sure. It will come soon, and when it's published—my general view is these things should be public, but I'll await the dealings with that.

On VPPs, I know that Ms Boyd has gone now, but there are two other matters that I forgot we were doing. We are, within the Consumer Energy Strategy, looking at expanding the oversight of the Ombudsman when it comes to VPPs. The Energy and Water Ombudsman—can I give a big shout-out to Janine Young—does incredible work. We've added her. She's now a mediator for landholders and an independent person for people to speak to. I know that they're across the whole energy network and I think that's important. But we're also looking for a role for her in relation to VPPs. Also, IPART is reporting on VPP services. We need to make sure that consumers are protected. I just don't want to waste an electron that falls on a roof. I want it to be going into the grid and want it to be able to be shared as widely as possible so that it's the cheapest form of energy that we can—

The Hon. WES FANG: So why do you limit them?

The Hon. PENNY SHARPE: You've had your questions; you don't get to ask anymore yet.

The Hon. WES FANG: Why do you limit the input?

The Hon. PENNY SHARPE: I think that's it for now.

The CHAIR: On that basis, we will now take a break and we will be back at 11.15 for more.

The Hon. PENNY SHARPE: Just quickly, before you go—sorry, I may as well just get them on here—this is what's been approved this year: Pottinger Energy Park, which is wind and a BESS, which is a battery; Valley of the Winds; Ridgey Creek BESS; Muswellbrook Solar Farm and BESS; Summerville Solar Farm and BESS; and Silver City Energy Storage compressed air storage, which also, for Mr Fang's interest, was partly the reason that we were doing that legislation recently. It was to deal with the compressed air compressor out in the Far West, which is about security for regional areas after the large blackout when the towers came down.

The CHAIR: All that in regional New South Wales.

The Hon. PENNY SHARPE: Yes.

The CHAIR: On that note, we will break until 11.15 a.m.

(Short adjournment)

The Hon. JOHN RUDDICK: It's now 11.15 a.m. Welcome back, everybody. We'll hand over to the Opposition—the lone ranger for the Opposition.

The Hon. PENNY SHARPE: I'm glad they've worked out who's asking me questions.

The Hon. JACQUI MUNRO: Thank you, Minister. Very generous. The interim transmission review options paper, released in June this year, says that key bodies—including EnergyCo, AEMO, Transgrid and the department—lack clear guidance on roles and responsibilities and that, whilst there is some guidance, there is no clear explanation of each party's role in transmission planning. Surely, given the urgency for energy security and the anxiety that we've spoken about with rural and regional communities, this is not acceptable for a good rollout.

The Hon. PENNY SHARPE: Look, it's a complex system. It's a complex system as a result of it being mostly privatised and having to coordinate a road map that relies heavily on private sector investment, working

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with Government through EnergyCo to have this done. That's why we're doing it. When we came to Government and I became the Minister—

The Hon. JACQUI MUNRO: Just to be clear: the clear roles and responsibilities of each organisation are something that should be clarified, would you agree with that?

The Hon. PENNY SHARPE: Yes, no doubt, and that's what we're trying to do through the review.

The Hon. JACQUI MUNRO: What do you think the roles and responsibilities of each of those organisations should be and how should they be outlined?

The Hon. PENNY SHARPE: I appreciate that you might want me to spell all that out in detail. I'm happy to take that—

The Hon. JACQUI MUNRO: I would love that.

The Hon. PENNY SHARPE: I'll take it on notice.

The Hon. JACQUI MUNRO: It's not just me that would love that, obviously, Minister.

The Hon. PENNY SHARPE: Of course. This is the whole reason why we're having this review. The history of this is very good work done by the previous Government in establishing the energy road map and the way in which we were going to deal with those matters, but not so good work in privatising the whole sector, so that we now have less levers to use in government to resolve some of those matters.

When we came to government, we said the road map stays—we've got to plan, we're going to work through it, we've got bipartisan support for it. I got Cameron O'Reilly to do the review of whether it was fit for purpose and, really, the check-up on the road map in terms of how it was, in a very fast-changing—let's remember the original road map was set up under COVID and it really was very much the conceptual plan. The job that I've inherited is implementing the plan. These issues have emerged over time, and that's why we're doing the reviews and constantly fine-tuning them. People need to have clear roles and responsibilities. There is inevitably some kind of duplication in relation to these matters, and we're trying to actually deal with all of that. I think that that's the right thing to do.

The Hon. JACQUI MUNRO: Would you prefer a nationalisation of our energy system in these organisations?

The Hon. PENNY SHARPE: I don't think anyone who knows me would be surprised that I'm not a big supporter of privatisation and that, honestly, if I was the energy Minister and I had actually control over the assets as we're trying to do this transition, that would be easier. But we don't do that, and I won't be nationalising—

The Hon. JACQUI MUNRO: Are you seeking to do that?

The Hon. PENNY SHARPE: Just to be clear, no, I will not.

The Hon. JACQUI MUNRO: You are not seeking to do that?

The Hon. PENNY SHARPE: No. Ms Boyd wants me to do it and The Greens want me to do it but, no, we won't be doing that.

The Hon. JACQUI MUNRO: I just think criticising privatisation but then being in power and not taking action to not privatise is—

The Hon. PENNY SHARPE: Are you seriously trying to put that to me?

The Hon. JACQUI MUNRO: I think it's a fair proposition.

The Hon. PENNY SHARPE: If you think millions of dollars have been spent on buying back something you already sold for a bargain, that sold out the public in relation to this and made the transition harder, and if you think the priority should be that we put money into buying back clapped out coal-fired power stations rather than doing the transition, that's on you.

The Hon. JACQUI MUNRO: I'm just asking you what your priorities are, Minister.

The Hon. PENNY SHARPE: No, we won't be doing that.

The Hon. JACQUI MUNRO: From your *State of the Environment* report, you know that there are approximately 202 contaminated sites across New South Wales. What additional resources are you allocating to accelerate the remediation rather than just maintaining the status quo on those sites?

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The Hon. PENNY SHARPE: The short answer is that we're working through, as we always do, in relation to contaminated sites. There are clean-ups that occur over time, but it is subject to the amount of resources we have to put into it. This has been a challenge for all governments. I know it challenged the previous Government as well. I might hand to Mr Chappel to give an update as to where we're at with contaminated land management.

The Hon. JACQUI MUNRO: I might just ask that we do that this afternoon given we have got limited time, Minister.

The Hon. PENNY SHARPE: That's fine.

The Hon. JACQUI MUNRO: The *NSW State of the Environment 2024* report notes that 36 additional plant and animal species have been listed as threatened since 2020, with 35 critically endangered. Given your Opposition-era pledge to prioritise biodiversity restoration—and you've had two-plus years now as Minister—why has the number of threatened species continued to rise?

The Hon. PENNY SHARPE: I think the number of threatened species has continued to rise, unfortunately, as a result of a number of things. One of those is habitat loss, one of those is climate change, and one of those is the lack of protected areas. I'm really pleased to update the Committee in relation to the amount of hectares of protected areas that are growing over time. Since coming to government—just to be clear, and I welcome this, some of this is previous work that will ultimately be gazetted as national parks. We've got over 500,000 hectares in addition that have been protected. We've also got 40,000 hectares that have been added to 20 national parks.

The Hon. JACQUI MUNRO: I understand this.

The Hon. PENNY SHARPE: We're also doing the Great Koala National Park.

The Hon. JACQUI MUNRO: But are these related specifically to specifically protecting certain species?

The Hon. PENNY SHARPE: Yes, every reservation is about protecting the threatened species within it. Every single reservation, we try to have the CAR system which is—

ANTHONY LEAN: Comprehensive, adequate and representative.

The Hon. PENNY SHARPE: Comprehensive, adequate and representative. Thank you very much.

The Hon. JACQUI MUNRO: Wouldn't you say, though, that there still has to be an arresting of that decline at some point?

The Hon. PENNY SHARPE: Indeed. That's the entire work of my department.

The Hon. JACQUI MUNRO: So how long will it take to arrest this decline?

The Hon. PENNY SHARPE: It will take a few years to around the mess that was left by the previous Government in relation to land clearing—

The Hon. JACQUI MUNRO: We put in record levels of national parks.

The Hon. BOB NANVA: Point of order—

The Hon. PENNY SHARPE: No, you didn't, and you did very little habitat protection. You allowed land clearing to be widely added to. You didn't really additional—

The Hon. JACQUI MUNRO: Minister, this doesn't really relate to my question. Let me take you to the marine parks. Are you still of the position that there will be no new marine parks or reserves in New South Wales?

The Hon. PENNY SHARPE: As you would be aware, marine parks is something shared jointly between myself and the Minister for Fisheries, which is Minister Moriarty. That's a system that you put in place. We're doing the network plan, we're working very hard on getting—

The Hon. JACQUI MUNRO: You were comfortable with that system, presumably; otherwise you would have changed it.

The Hon. PENNY SHARPE: Sure. I'm just explaining to you the structure which we had. We've done work on the network management plan to improve the one that we inherited. That's being finalised. The real issue around marine protection is going to be in the rules and the zones on marine parks, and that's work that will be coming out soon.

The Hon. JACQUI MUNRO: Will you be creating new marine parks or reserves in New South Wales?

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The Hon. PENNY SHARPE: There are obviously the two areas that people talk to us about. There's the Hawkesbury shelf and there's the Twofold Bay, which are the two areas that are unprotected. There are no plans to do that at the moment, but marine conservation is something that we take very seriously and continue to discuss.

The Hon. JACQUI MUNRO: Just to confirm, the position at the moment is that there will be no new marine parks or reserves in New South Wales?

The Hon. PENNY SHARPE: I don't know about reserves. As I said, there are two areas that are outstanding, and there are no plans at the moment to create a marine park in relation to those two areas.

The Hon. JACQUI MUNRO: Does the New South Wales Government Nature Strategy have any specific funding tied to it?

The Hon. PENNY SHARPE: There are people working on it, yes.

The Hon. JACQUI MUNRO: Is it specific funding, or is it just a part of existing roles and people spend a couple of hours on it each week?

The Hon. PENNY SHARPE: It's the key strategy that we have to turning around the very biodiversity loss that you've just highlighted. We're working through the Nature Strategy. There are obviously people working on that. There are programs that will sit under it and that will have to be worked through.

The Hon. JACQUI MUNRO: What are those programs that are working under it?

The Hon. PENNY SHARPE: Well, the types of programs, so things like Saving our Species. There's a whole range. I can hand over to Mr Lean in terms of how we're dealing with this, but the Nature Strategy is going to set out the targets and the plans for how we're going to deal with biodiversity loss. It's going to deal with habitat protection. It's going to deal with how we deal with threatened species. The big part of where I'm trying to get to is actually how do we take an ecosystems approach. I have a very strong view that species by species is not the way that we're actually going to turn this around.

If ecosystems are healthy, then the plants and animals within them—whether they're threatened, whether they're critically endangered—are part of it. That's the sort of systems thinking we're using to try to deal with this, and we're working through that. That will ultimately come as changes to the Biodiversity Conservation Act. The programs and policies that we'll fit under that, whether it's the excellent threatened species work done by Saving our Species—those are the kinds of things. But I might hand to Mr Lean if he wants to talk about the detail about what's underneath it.

The Hon. JACQUI MUNRO: I might get the specifics later, if that's okay. I'll come back to you. I do appreciate it. Just to clarify, given it's a systems approach, are you intending to have a pot of money associated with the rollout of those programs, or is it that existing parts of the department—

The Hon. PENNY SHARPE: I always want money. I will be talking to the Treasurer at length about these matters. I sit on the ERC. We'll be doing all of that, but I can't tell you now about what we're going to do.

The Hon. JACQUI MUNRO: Is it your intention that there be money in the next budget?

The Hon. PENNY SHARPE: My intention is there's always money in the budget.

The Hon. JACQUI MUNRO: So it's taking money from other existing areas to undertake that work?

The Hon. PENNY SHARPE: No, I wouldn't say that. I wouldn't say that at all.

The Hon. JACQUI MUNRO: Well, is it being added to those other areas?

The Hon. PENNY SHARPE: We haven't been through the budget process yet, so I'm not in a position to tell you about that. If you want to ask about happened in the last budget, we can talk about that. The budget estimates are the ones that we've just done. I can't foresee the future in terms of what the next budget will look like.

The Hon. JACQUI MUNRO: If you could elucidate what parts of the budget have got funding associated with the nature strategy, that would be most welcome.

The Hon. PENNY SHARPE: We'll take that on notice.

The Hon. JACQUI MUNRO: There's a question about the LTESAs.

The Hon. PENNY SHARPE: From who?

The Hon. JACQUI MUNRO: Stakeholders.

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The Hon. PENNY SHARPE: Which stakeholders?

The Hon. JACQUI MUNRO: There's concern about minimal visibility of whether projects are being delivered and how much money is being spent and how it will impact bills. There's a concern that there isn't enough transparency.

The Hon. PENNY SHARPE: What specifically in terms of transparency is missing?

The Hon. JACQUI MUNRO: The concern is that the Government is awarding multi-decade contracts to energy projects that haven't even received planning approvals and that their progress is not being tracked. Is that accurate?

The Hon. PENNY SHARPE: No, I would reject that their progress isn't tracked. We are tracking very carefully every single program that's coming into energy because, as we've talked at length about, as coal-fired power comes in, the amount of renewable energy that goes in is really important. Every project that is going through the planning system is being watched very carefully. Don't forget they have to report into AEMO in relation to what they're going to be contributing to the grid. That's all fine. The issue in relation to the LTESAs I might take on notice in terms of how much public information there is, because there is quite a bit of public information—this is not hidden—but we need to work through that. It is, of course, part of the design of the road map, which we supported.

The Hon. JACQUI MUNRO: The department's regular reporting page on the road map seems to contain no progress data on these.

The Hon. PENNY SHARPE: Let me check that. I suspect that's an oversight rather than a conspiracy.

The Hon. JACQUI MUNRO: As you say, given organisations have to report, I believe, quarterly, it would be good to understand that there are actually updates available.

The Hon. PENNY SHARPE: Sure, but just so you also know, both ASL and the special financial vehicle track the milestones and the progress. That's obviously within our own system. There's also the reporting to AEMO, which is fundamental to the national energy market planning system, which is what projects are coming online at what time, because how are they going to contribute to the grid?

The Hon. JACQUI MUNRO: Going to heritage, your draft heritage strategy promises 29 actions over five years but comes with zero additional funding. How do you plan to deliver the 29 commitments with no money?

The Hon. PENNY SHARPE: Well, it's still draft. It hasn't been finalised. We've done the draft heritage strategy—first ever heritage strategy for New South Wales. It's being finalised as we speak. I was really lucky to speak to a bunch of practitioners and staff from the Heritage Council of NSW recently.

The Hon. JACQUI MUNRO: Did they or you have a date for when it will be made public?

The Hon. PENNY SHARPE: No, but I can find out in terms of what the likelihood is.

The Hon. JACQUI MUNRO: Just to go back to that budget question, is there any money in the 2025-26 budget that relates to heritage strategy recommendation implementation?

The Hon. PENNY SHARPE: No, because they haven't been finalised yet.

The Hon. JACQUI MUNRO: So it won't be until the next budget?

The Hon. PENNY SHARPE: Not necessarily. Let me take the rest of that on notice because there is obviously work that's being undertaken in terms of the strategy that is funded. Within the strategy, there are a bunch of other things. Some of it is planning, some of it's—we've just put out record funding in terms of supporting things on the State Heritage Register. I think there was about \$8 million.

The Hon. JACQUI MUNRO: So you're confident that recommendations that might come out of the strategy, or plans within the strategy, will be funded within the existing 2025-26 budget?

The Hon. PENNY SHARPE: It depends in terms of what we finally commit to. Some of these things are kind of business as usual. If there are changes to the Act and we need to bring forward legislation, that's a different thing.

The Hon. JACQUI MUNRO: Are there any plans to change heritage laws?

The Hon. PENNY SHARPE: Yes, we'll have to.

The Hon. JACQUI MUNRO: Could you give an indication of where that will be?

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The Hon. PENNY SHARPE: We're waiting for the finalisation of the strategy. I haven't seen the final strategy. It hasn't come to me for final sign-off and tick. The resource implications of that haven't been examined yet because I haven't seen it yet. That's a matter for government, and we'll do that. Suffice to say, I'm pretty excited about the new heritage strategy and what it will do: dealing with the dual challenges of housing and heritage, how do we properly care for our State heritage-listed areas, how do we get to grips with the thorny issue of local heritage versus State heritage, how do we finalise Aboriginal cultural heritage. There are some pretty exciting ideas and work in there. Resourcing is always the issue, and that's something that we'll keep looking at.

The Hon. JACQUI MUNRO: Related to heritage, the 2024 State of the Environment report says that Greater Sydney's landfill capacity is projected to run out by 2030 or possibly earlier. Obviously that's less than five years away.

The Hon. PENNY SHARPE: I've got a graph for this. Can I show it to you? Let me show you.

The Hon. JACQUI MUNRO: Well, it would be good to know what's being done.

The Hon. PENNY SHARPE: This is really important.

The Hon. JACQUI MUNRO: I understand, but what's actually being done, Minister?

The Hon. PENNY SHARPE: I'm about to tell you what will be done, and I know that Dr Cohn's very interested in this. This is a serious problem that we've got. Along here is the years around landfill.

The Hon. JACQUI MUNRO: Minister, I really appreciate—

The Hon. PENNY SHARPE: If you're asking me what we're doing, I need to show you what the problem is.

The Hon. BOB NANVA: Point of order—

The Hon. JACQUI MUNRO: Are props allowed?

The CHAIR: I will hear the point of order.

The Hon. BOB NANVA: The procedural fairness requirements under paragraph 19 require courtesy to be extended to the witness. That involves allowing the Minister to answer the question that has been asked of her. She was being directly relevant to the question that was asked. I just request that Ms Munro allow the question to be answered.

The CHAIR: Ms Munro, I think she can continue and I'm sure that she will bear that in mind.

The Hon. PENNY SHARPE: Sorry, can I just ask that the graph gets handed around? The point here is—and this is the important bit—we're running out of landfill in Greater Sydney. It's also a big pressure in regional areas. If this is the business as usual at 2030, this is the amount of waste that's coming. We need to do as much as we can on all different areas. If you want to know what we're doing about it, I'll tell you what we're doing about it. We've done the first-ever waste infrastructure strategy, which we're about to finalise, that actually gets to grips with how much landfill we need, whether we need to do energy from waste—and I'm sure I'll get questions about that, which is appropriate—and how we're actually going to deal with the actual reality that, if we do not do this, we will run out of landfill; that the cost of picking up people's red bins, if you can pick them up at all, is going to rise astronomically; and that we'll start to see waste being shipped, which we already do, interstate. That is the worst outcome.

The Hon. JACQUI MUNRO: I agree the problem is dire.

The Hon. PENNY SHARPE: That's what we're doing—one. Two, we're doing the review of the waste levy, which is the best financial lever we have around trying to divert waste from landfill into recycling, which is the key. Our recycling rates in New South Wales have stagnated over a period of time and we need to deal with it. Three—we've already done this and I really thank the support of the Parliament for this—was the FOGO mandates. The good news around FOGO is that, if we do it properly and it rolls out well, it will reduce landfill—what's in the red bins—by about a third. That's incredibly important. We're also doing a re-use and recycle strategy as well. I actually think of the waste challenge as not dissimilar to the energy challenge: Failure to act is not an option, and we have to be doing all the things all at the same time, as we get it. There's also the work up-front, which we've been doing with the Federal Ministers: the packaging work, soft plastics—whether we expand the CDS scheme. We are doing absolutely everything on waste because, if we don't, that graph tells the story of the trouble we're going to be in in 2030.

The Hon. JACQUI MUNRO: One of the critical things that you haven't mentioned—

The Hon. PENNY SHARPE: I might have forgotten it.

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The Hon. JACQUI MUNRO: —which also shares an issue with the energy rollout, is land. Are there any plans at this point to create new waste facilities?

The Hon. PENNY SHARPE: There's going to have to be. We need processing—

The Hon. JACQUI MUNRO: Is it happening now?

The Hon. PENNY SHARPE: That's what the waste infrastructure strategy is. And, as we finalise that, there's also going to be an implementation group.

The Hon. JACQUI MUNRO: When will that be finalised?

The Hon. PENNY SHARPE: Very soon.

The Hon. JACQUI MUNRO: Like, in the next couple of weeks?

The Hon. PENNY SHARPE: It's not on my desk yet, but I know it's close.

The Hon. WES FANG: Everything's coming with this Government.

The Hon. PENNY SHARPE: I think we've done a bit more than you did for 12 years.

The Hon. WES FANG: No, you haven't. You're doing nothing.

The Hon. PENNY SHARPE: Okay!

The Hon. JACQUI MUNRO: Are you working with the planning Minister or public lands Minister around finding sites?

The Hon. PENNY SHARPE: Yes.

The Hon. JACQUI MUNRO: Have you identified any sites?

The Hon. PENNY SHARPE: Why don't you wait for the plan and we'll tell you.

The Hon. JACQUI MUNRO: I'd like to know now, if I could.

The Hon. PENNY SHARPE: Just to be clear here, this is something that's important for government. If some of this stuff is subject to Cabinet decision-making, then I'm not able to share. I'm not trying to be difficult. I try to share as much as I can with this Committee. Half the people sitting behind me are worried that I'm going to say something that I'm not allowed to say, because my general inclination is to try and tell you as much as I can. These are absolutely legitimate questions that you're asking.

The Hon. JACQUI MUNRO: One more question, just because I've got nine seconds. Were you responsible for the decision to not take up the United Nations COP31 conference in Sydney?

The Hon. PENNY SHARPE: I'm not sure. New South Wales hasn't put in for that.

The Hon. JACQUI MUNRO: Yes, but my question was: Was that your decision?

The Hon. PENNY SHARPE: It was a Government decision.

Dr AMANDA COHN: Good morning, Minister.

The Hon. PENNY SHARPE: Hello.

Dr AMANDA COHN: You correctly predicted that I've also got questions about waste.

The Hon. PENNY SHARPE: Good, I love it. I love waste people. It's important.

Dr AMANDA COHN: You've listed some of the things that you're already doing. I am very interested in what's happening to reduce waste at its source, particularly the plastics plan. That went out for consultation a year ago now. When will we get an update on the plastics plan?

The Hon. PENNY SHARPE: I am hoping to do this pretty soon. It's incredibly important. There are probably two streams we need to think about. The previous plastics plan was, again, a good initiative of the previous Government. You can now go to all these places. We're no longer seeing plastic food containers and straws—Mr Ruddick will hate this—and all of those alternative products. We're obviously looking at what are the next rollout of those products.

We're also working with the Commonwealth around how we can design out the plastics in the first place. That has been, to be honest, much slower than I have liked. It's part of the reason why we've moved on things like our own product responsibility laws, because we just want to get on with it and because the problem is such a big

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one. I'd hope that we'd be finalising plastics before the end of the year and that we'll have legislation within a reasonable period. It depends on how much we get backed up before the end of the year, but before the end of the term where we can take the next action. There is also a whole lot of work—you should really get into the detail of this with Mr Chappel, because he loves it and he also knows all the detail of it.

The IChEMS legislation actually bans a lot of harmful plastics, including PFAS and things, into the future. We're looking at lists of banned items. If plastic is going to be there, then it should all be recyclable. There is so much that is actually in there that you can't even recycle. It's got nowhere to go, and it's causing all of the harm that it is. That's all part of the plan. In terms of the time frame, it will be before the end of the term in terms of when the legislation is. We're wanting to take action on all of it. Did I miss anything?

TONY CHAPPEL: No, Minister. I think that the green list for demonstrably safe chemistry and a red list for prohibited chemicals would be a quantum leap for safety with chemistry in Australia.

Dr AMANDA COHN: I'm so sorry to interrupt.

TONY CHAPPEL: No problem.

Dr AMANDA COHN: I would be delighted to come back to this this afternoon, but I will stick with the Minister in the interest of time. South Australia has banned the little plastic soy sauce fish. Are you going to ban the plastic soy sauce fish?

The Hon. PENNY SHARPE: I am not committing to banning that yet. I am also looking—and this is part of the plastics plan—at how do we harmonise with other States? The big ask from industry, no matter who they are, is, "Can the Federation get its act together, and can we all work to the same set of rules?" One of the things that we've been looking at with the plastics plan is how do we try and harmonise as much as possible. When I say that, I mean who is taking the most serious action and how do we rise to that, because New South Wales is behind in a few of those areas.

Dr AMANDA COHN: Absolutely. Given the graph that you've tabled and the waste crisis that we're facing in New South Wales, do you see it as our role to actually lead rather than only follow what has been done in other States?

The Hon. PENNY SHARPE: Yes, but I would argue that we're already doing that in a lot of ways. The work that we're doing on waste and the work that we're doing on—particularly the product responsibility, which is a huge tool that we have to really drive product stewardship long-term, whether it's solar panels or whether it's batteries. There is a whole range of other things that we can look into with that legislation. I think that's the intention over time.

Dr AMANDA COHN: You had the enthusiastic support of The Greens for that piece of legislation. I understand you've only applied to batteries at this point. You just mentioned solar panels.

The Hon. PENNY SHARPE: Yes.

Dr AMANDA COHN: What else is on the list that you might apply that framework to?

The Hon. PENNY SHARPE: There's a few people that have a long list of what should be on there.

TONY CHAPPEL: We do have a long list, Minister.

The Hon. PENNY SHARPE: I am sure Mr Chappel and the excellent people at the EPA have got a long list for me. We've got to get it right. The way that that legislation was structured is that it's very flexible. There are regulation-making powers that allow us to set up a range of different systems. The other thing around product stewardship is that, in some ways, they're a little bit unique. It depends on what is already there. How mandated is it? Is it sort of like CDS where everyone pays an extra bit of money? We're working through all of that.

I'm determined to get the battery stuff done properly, and I know that the regulation is close in relation to that. I volunteered New South Wales to do a national scheme for solar panels, which is extremely exciting and a really important regional opportunity around processing. It's really incredible in terms of being able to not waste one little bit of silver or one little bit of copper as we extract that. If we can get it right, I think it will work. I'm sure there's a long list. People talk about tyres. They talk to me about soft plastics.

TONY CHAPPEL: Solvents.

The Hon. PENNY SHARPE: Solvents. There is a long list. Can I just get the first two right first? I think then we can talk about the others.

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Dr AMANDA COHN: Moving to a completely different topic, I have previously asked you about the lead contamination issue at Captains Flat. The answer I got on notice back in March talked about the Captains Flat Lead Management Taskforce. I understand that has actually been disbanded since then. The issue that I'm aware of is that local residents can get testing with the support of the EPA. If they then find significant contamination on their property, there is no support to actually remediate that, particularly if people need to do works on a residential property.

This is an area of significant socio-economic disadvantage. People can't afford to do this work. Residents have been told they can access the containment cell for disposal of contaminated soil within the volume allocated to Queanbeyan-Palerang Regional Council, but there is a time limit on that and a significant cost associated with that. There is a long-term financial support scheme to impacted residents in Lake Macquarie for grants to support them. Will you consider a similar scheme for residents at Captains Flat?

The Hon. PENNY SHARPE: I might hand over on the detailed issues. You're probably right in terms of all of that. I don't know that Mr Chappel is doing that. We can look at it. We've also got significant lead problems, as people would be aware, in Broken Hill. Unfortunately, so many contaminants are ubiquitous within our environment over a period of time. Asbestos is another one, and PFAS is an increasing one. The cleaning up of that forever pollution is very challenging. I'll say that we'll have a look at it, but whether there is the money available—I just don't know how much it is. I'm happy to have a look at it, but I don't want to lead you to a conclusion that this is something we can definitely do. I'm happy to have a look at it. I don't know if you want to add anything, Mr Chappel?

Dr AMANDA COHN: Can I just ask a follow-up? I appreciate you have expressed an open mind to this. Are you willing to sit down with the Captains Flat Community Association to understand how this is actually impacting people?

The Hon. PENNY SHARPE: I'm happy to meet with them, of course.

Dr AMANDA COHN: In my last remaining bit of time, I want to ask you again about wood heaters. There is significant concern from health groups and experts that the current standards in Australia are not fit for purpose. The standards are set at a national level. Are you aware that the chair of the standards committee is the general manager of the industry body?

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

Dr AMANDA COHN: Now that you are, do you think it's acceptable that this is an industry that is functionally regulating itself?

The Hon. PENNY SHARPE: I wouldn't be that definitive. This is the first that I've heard about it. I don't know who else is on the committee. Obviously, national standards are set nationally. It's not something that I would weigh in on without more information. I'm happy to take it on notice.

Dr AMANDA COHN: The industry's own figures are very proud that wood heater sales continue to increase, which is very concerning given the carbon emissions they produce and the particulate pollution that they produce. Are you on track to meet your own electrification goals if wood heater sales are actually going up? We're having more new ones installed.

The Hon. PENNY SHARPE: Which targets are you asking about?

Dr AMANDA COHN: You've rolled out incentives for electrification.

The Hon. PENNY SHARPE: Is this the Clean Air Strategy? Is that what you're talking about?

Dr AMANDA COHN: I was asking under the framework of electrification and carbon, but I'm happy to have an answer in the framework of the Clean Air Strategy too.

The Hon. PENNY SHARPE: Let me take it on notice. It will require a calculation in terms of uptake. Let me take it on notice. I don't want to guess.

Dr AMANDA COHN: I'm very frequently contacted by residents impacted by particulate smoke pollution who have contacted local councils, which don't have the capacity or capability to effectively monitor and regulate wood smoke issues. The Clean Air Strategy talks about the Government supporting councils to better manage smoke from wood heaters. Will you consider greater support, guidance and tools to the local government sector so that they can respond to residents appropriately?

The Hon. PENNY SHARPE: To be honest, I've got some information here, but it probably doesn't really go to your question. Let me take it on notice and get you a more fulsome reply, which I think would be better. Otherwise, I would just be telling you things that you already know.

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TONY CHAPPEL: The EPA has recently provided some detailed guidance to councils on how to collect evidence from neighbours about wood smoke impacts, where there might be an infringement. We can perhaps talk to that this afternoon.

Dr AMANDA COHN: I'll come back to that this afternoon.

The Hon. TANIA MIHAILUK: Good morning, Minister. Very quickly, can I quote a couple of articles to you. I just want your thoughts.

The Hon. PENNY SHARPE: As long as you tell me where they're from, that would be great.

The Hon. TANIA MIHAILUK: Of course. In a *Daily Telegraph* article dated 15 June 2025 titled "Path to net zero is not on track" by Elizabeth Pike, former Labor Cabinet Minister Joel Fitzgibbon said, "Australia's path to net zero is not without risk." Do you agree with this appraisal by Mr Fitzgibbon?

The Hon. PENNY SHARPE: Yes. I always listen to Joel, and he is right on this one.

The Hon. TANIA MIHAILUK: Do you?

The Hon. PENNY SHARPE: Yes.

The Hon. TANIA MIHAILUK: What do you think he was referring to? What was the risk that he was referring to?

The Hon. PENNY SHARPE: I don't have the article in front of me. If you want to provide it to me, I'm happy to look at it in more detail. I don't want to play a guessing game, but what I'm guessing is that he's just talking about whether we're going to meet the emissions reductions we've committed to. Whether he was talking about the Federal ones versus the State ones, I don't know. I can tell you a lot about where we are on track because we do a lot of modelling in relation to this. We talked about this a bit earlier this morning. We've legislated our target. I'm not trying to be tricky.

The Hon. TANIA MIHAILUK: That's fine. I might just go to what you're doing in New South Wales. There's another article I want to raise in relation to Origin Energy, which is about raising electricity rates for New South Wales small businesses by approximately 8.3 per cent, equating to nearly \$498 more annually. The same article further notes that since April 2022 average small business electricity bills have surged from \$6,000 to \$8,000 annually. Do you accept that your renewables-driven energy agenda is directly contributing to these skyrocketing costs and that this risk of the net zero agenda is impacting the viability of New South Wales small businesses?

The Hon. PENNY SHARPE: The biggest driver of increased costs has been privatisation of our electricity system.

The Hon. JOHN RUDDICK: Prices are going up around the world, wherever the transition is happening.

The Hon. TANIA MIHAILUK: I like what you're saying, the Hon. John Ruddick, but I have to keep going with this. On 12 February, Business NSW CEO Daniel Hunter said in an article:

Energy costs are crippling businesses across NSW ...

...

Every day, I hear from business owners struggling with soaring energy prices, some paying double what their competitors in other states are charged.

You did say you're monitoring the net zero path that you're conducting in New South Wales. Are you also monitoring the impact on small businesses as a result of the higher energy prices?

The Hon. PENNY SHARPE: Every day. My job as the energy Minister is to do a number of things.

The Hon. TANIA MIHAILUK: Would you agree with his comments, that it's crippling small businesses?

The Hon. PENNY SHARPE: I agree that it's a very challenging environment and cost of living is impacting on a whole range of things. I do accept that energy is challenging for households. There are a number of things—

The Hon. TANIA MIHAILUK: What are you doing from your end?

The Hon. PENNY SHARPE: What we are doing is rolling out the renewable energy road map as quickly as possible. There are a number of things that are impacting on the cost of energy. The wholesale prices—

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some of the biggest challenges are the fact that we've got four old coal-fired power stations that are breaking down all the time. When they do, their supply comes out.

The Hon. TANIA MIHAILUK: But you extended one under your watch.

The Hon. PENNY SHARPE: Yes, because we're very sensible and pragmatic in relation to these matters. This is the entire point. We're managing the exit of these old coal-fired power stations as we build out renewables, which are not without faults but, at the end of the day, are going to be the cheapest replacement. That's what we're doing.

The Hon. TANIA MIHAILUK: The 2035 targets were an amendment moved by, I believe, The Greens and the Liberals. You might recall they combined to support these 2035 targets.

The Hon. PENNY SHARPE: Yes.

The Hon. TANIA MIHAILUK: You didn't actually agree with pursuing those targets. It wasn't what you presented.

The Hon. PENNY SHARPE: I'd need to check, but I'm 99 per cent certain we supported the amendment.

The Hon. TANIA MIHAILUK: You definitely supported the amendment, but there must be a reason why you didn't actually present this in your legislation.

The Hon. PENNY SHARPE: There was a disagreement around some of these issues, which inevitably happens when putting legislation through Parliament.

The Hon. TANIA MIHAILUK: Is that disagreement in the Cabinet, do you mean?

The Hon. PENNY SHARPE: No. Disagreement across the Parliament, and the previous Government—

The Hon. TANIA MIHAILUK: It wasn't in your legislation; that's my point.

The Hon. PENNY SHARPE: I'm trying to explain to you why that was the case. Whether we should have an interim target around 2035 was a question mark. There was already a notional 2035 target that had been put in regulations by the previous Government, which is part of what they did. We, in the end, decided that we can put it in there. There's no great conspiracy about this.

The Hon. TANIA MIHAILUK: No, you decided to agree to the Liberal and Greens amendment. You didn't propose it yourself.

The Hon. PENNY SHARPE: But just to be clear, there was already, in regulation rather than legislation, a 70 per cent target. In the end we just agreed to put it into the legislation. There was a disagreement about whether we needed to do that or not, and in the end we were relaxed about putting it in.

The Hon. TANIA MIHAILUK: Inflation has jumped to 2.8 per cent as of July 2025, and electricity prices alone have surged roughly 13 per cent. Has your Government modelled the physical impact of these energy price spikes on overall inflation?

The Hon. PENNY SHARPE: Across what? I'd have to take that on notice. I'm sure Treasury are doing ongoing work. What I do know, though—

The Hon. TANIA MIHAILUK: If they are, do they advise you? If they're doing some work in this area—

The Hon. PENNY SHARPE: We get information in a variety of ways, but it's not Treasury's job to personally advise me about what's going on. One of the points I would make, which has been very—

The Hon. TANIA MIHAILUK: If the energy costs are contributing—

The Hon. PENNY SHARPE: Can you just let me finish? This is directly to energy and inflation. The support of rebates, both at the Federal and the State level, have had a marked impact on reducing inflation.

The Hon. TANIA MIHAILUK: Minister, what's your response to the suggestion that the rising cost of running a small business, predominantly energy cost, has contributed to 4,634 small business foreclosures, according to the ASIC data in the year of 2023-24?

The Hon. PENNY SHARPE: Does the ASIC data say that it was energy or is that your interpretation of small businesses?

The Hon. TANIA MIHAILUK: I believe it's saying energy is definitely one of the reasons.

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The Hon. PENNY SHARPE: Is that what that says? Is that what ASIC said?

The Hon. TANIA MIHAILUK: It says one of the reasons is energy.

The Hon. PENNY SHARPE: Is that what it says?

The Hon. TANIA MIHAILUK: Yes.

The Hon. PENNY SHARPE: Again, part of our rebate scheme has actually supported small businesses when the Federal rebate scheme didn't do that. That was exactly the point that we have understood, which is that small businesses are under a lot of pressure. That's why we continue to have a range of programs that support small businesses to reduce their costs, through our Energy Savings Scheme, in terms of appliance fit-outs, heat pumps and those kinds of things. We've had a rebate scheme that has been in place that has supported that. There are a number of things that we're doing. Yes, I accept it's a contributor. I don't accept it's the reason why 4,000 businesses have gone out of—

The Hon. TANIA MIHAILUK: That's fine. I just wanted your response to that. Back on the plastics, you did say earlier and I note—

The Hon. PENNY SHARPE: Where's your tethered lid?

The Hon. TANIA MIHAILUK: You haven't done it.

The Hon. PENNY SHARPE: No, I haven't done it yet.

The Hon. TANIA MIHAILUK: You haven't made the change, even though I proposed it and the House supported my motion.

The Hon. PENNY SHARPE: I'm not going to put it in the legislation. I'm going to let you move it as an amendment. It will be awesome.

The Hon. TANIA MIHAILUK: You haven't done anything about it. In fact, you conceded earlier that you've got a bit of a delay, and I think you were saying that you don't even know if you'll finish the plastics plan by the end of the year—or possibly this term. Is that right?

The Hon. PENNY SHARPE: We're trying to do it as quickly as we can.

The Hon. TANIA MIHAILUK: What's the delay? Is the delay from the Cabinet?

The Hon. PENNY SHARPE: I tell you what the delay is. The delay is that there are a lot of different pieces of legislation. I'll check with my team, but I think so far in this term we're over 10 pieces of legislation that we've had to do. Things are lined up to do in time when we can. We have urgent things that need to come forward, as Mr Fang knows, and we have to deal with those. It's on the legislative agenda.

The Hon. TANIA MIHAILUK: This is for you, Minister. The buck stops with you. You're leading in this area.

The Hon. PENNY SHARPE: I am. I've also done 10 other pieces of legislation, so we're doing it. It's in the legislative list.

The Hon. TANIA MIHAILUK: Have you got staff supporting you?

The Hon. PENNY SHARPE: I have great staff supporting me.

The Hon. TANIA MIHAILUK: They're getting paid pretty well.

The Hon. PENNY SHARPE: Not enough, actually—

The Hon. WES FANG: That's because you've capped their pay.

The Hon. PENNY SHARPE: —but they do it because they're excellent.

The Hon. TANIA MIHAILUK: You're getting paid very well too. I'm sure you can handle 10 pieces of legislation. Look at the Hon. John Graham. Minister John Graham has way more legislation to manage.

The Hon. PENNY SHARPE: I think if you look in terms of what has been put forward—

The Hon. TANIA MIHAILUK: Minister, can I quickly ask you about the Coastal Management Act. Are you on top of that? Are you comfortable with the latest figures across the data about microplastics in the rivers across New South Wales?

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The Hon. PENNY SHARPE: Yes, I'm across it. Do I think it's good? No. Are we trying to deal with it? Yes.

The Hon. TANIA MIHAILUK: They've classified the Georges River as being graded good in the 2022-23 estuary report by the NSW Coastal Council. Then, the latest AUSMAP data shows that Eora Beach recorded 2,495 microplastics per square metre. That's got to be one of the worst—that's got to be a really high figure. Are you not concerned about that? How can that be classified as good?

The Hon. PENNY SHARPE: I'm concerned about microplastics everywhere. Microplastics are ubiquitous in the environment. We're doing a lot of work to reduce plastics, and that's already occurring outside the plastics plan.

The Hon. TANIA MIHAILUK: Do you fund any money to AUSMAP for their work?

The Hon. PENNY SHARPE: I don't know. Do we?

The Hon. TANIA MIHAILUK: Can you take that on notice?

TONY CHAPPEL: I think the EPA may have provided some support for that exercise. We certainly collaborate with them.

The Hon. PENNY SHARPE: Why don't we take it on notice. We'll find out.

TONY CHAPPEL: Yes, let's take it on notice.

The Hon. TANIA MIHAILUK: It looks like their data is far more comprehensive than perhaps the data that you are relying on.

The Hon. PENNY SHARPE: Why don't we take that on notice. I'm happy to do the differences. It depends on what they're measuring. It depends on when they're measuring it.

The Hon. TANIA MIHAILUK: I will leave it at that, Minister.

The Hon. PENNY SHARPE: The only point I'd make is, yes, it's a problem, and we're trying to deal with it.

The Hon. JOHN RUDDICK: Minister, as you know, the Snowy Mountains Hydro-Electric Scheme in the 1960s was a huge engineering operation, and we didn't have as much concern about environmental impacts at the time. In the late '90s there was a study taken out. It revealed that there were 400 sites of environmental damage, and 35 of them were considered to be major problems, like asbestos, weed invasions, erosion, soil dumps et cetera. What then happened was the Snowy Mountains hydro chipped in \$32 million. They gave it to the NSW Treasury, and they then gave it to the National Parks and Wildlife Service.

The Hon. PENNY SHARPE: In what year, John?

The Hon. JOHN RUDDICK: In 2003. It's ancient history, but it's important. That money has been sitting there and some work has been done, but the people who really love the Kosciuszko National Park have told me that they have really struggled to get any transparency on that money. There is a pot of money sitting there. We would like to, first up, get your understanding of why it's hidden behind some commercial-in-confidence arrangements, which doesn't sound right. When can we find out exactly how much money is remaining, how many sites have been restored, and what the remaining funds will be used on?

The Hon. PENNY SHARPE: Can I just say, I'm going to take the whole question on notice, but I can provide you with some information—and appreciate this. Before we start, I did want to tell you this. As we speak, the Snowy hydro scheme is providing 5.9 per cent of all of New South Wales's electricity right now.

The CHAIR: Wow!

The Hon. PENNY SHARPE: There you go. But in terms of the scheme, the advice that I have got is that there was a rehabilitation program that worked across 144 sites in the park over that period of time. The rehab included earthworks, stabilising slopes, preventing erosion, weed control and planting of native vegetation. Basically, the biggest impact that's been on that is the fires. People would know that the fires massively impacted Kosciuszko National Park, and some of those sites were burnt. Just as an example, at one of the sites where we have the corroboree frog rehabilitation, it came over the hill. It is in a very isolated site. It was under pressure, and it was defended. As a result of that, some of the works had to be done twice because of the fires, so there was some funding from the previous Government to do that work.

Sorry, I'm just having a look in relation to that. I'm told that all the funds have been expended, but I just don't have enough detail. Let me take the rest of that on notice. I think the challenge here—I understand people's

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need for transparency. I think, when this original arrangement occurred, it was back in the day long before SO 52s and the level of transparency that we now have. I don't have enough to give you today. I'm happy to share it with you, but let me just take it on notice.

The Hon. WES FANG: Minister, you haven't announced the Great Koala National Park yet. We thought you might. However, you have announced a koala park. Is that correct?

The Hon. PENNY SHARPE: Yes, in south-west Sydney—Warranmadhaa. It's amazing.

The Hon. WES FANG: It's about 1,000 hectares. Is that correct?

The Hon. PENNY SHARPE: Yes, just under. It's going to be about 1,800 hectares in the end because—it's sort of complicated.

The Hon. WES FANG: You've allowed for about \$48.2 million for that. Is that correct?

The Hon. PENNY SHARPE: Yes, I think that's right.

The Hon. WES FANG: That's about \$200,000 per hectare. I know you don't trust Wes maths, but we've done some sums.

The Hon. PENNY SHARPE: No, I never trust Wes maths.

The Hon. WES FANG: I get that, but you would agree that's about \$200,000.

The Hon. PENNY SHARPE: I'm not agreeing to anything that you've put forward.

The Hon. WES FANG: I'll put the assumption that it's about \$200,000 per hectare. The park you've announced is about one-quarter of the size you committed to in 2018. Is that correct?

The Hon. PENNY SHARPE: This was prior to the 2019 election. Is that right?

The Hon. WES FANG: Yes.

The Hon. PENNY SHARPE: I go by what we committed to in the 2023 election.

The Hon. WES FANG: What does that \$200,000 per hectare go towards?

The Hon. PENNY SHARPE: I don't accept the figure that you've put, but in terms of how we create a national park and the management of it, it's the usual things. It's about having a plan of management that talks about allowed uses and not allowed uses. It's about the protection of a variety of threatened species within it. It's about the land management plan. It's about the uses within the park that people are allowed—to deal with that. There's close work with the local Aboriginal community in relation to the particular sites that are in there. That's what national parks do. That's their job.

The Hon. WES FANG: I'm wondering if there's going to be a similar amount per hectare spent when you do announce the Great Koala National Park.

The CHAIR: Hopefully it's more.

The Hon. PENNY SHARPE: All will be revealed very soon.

The Hon. WES FANG: I don't know why it's taking so long. I think there's certainly—

The Hon. PENNY SHARPE: I'm sorry, I thought some of you didn't want it at all and have been trying to fight it for the past two years.

The Hon. WES FANG: I must say, I don't, and I met with some people that are involved in forestry yesterday.

The Hon. PENNY SHARPE: Good. Good people.

The Hon. WES FANG: They want certainty, and they've asked me to ask you these questions. I spoke to a forester yesterday. They want to know what the size is and when you are planning to announce it.

The CHAIR: We all want to know.

The Hon. PENNY SHARPE: I think those questions have already been asked, and I have said I'm not in a position to be able to tell you today, but it will be as soon as possible.

The Hon. WES FANG: It's been two and a half years now, Minister—

The Hon. PENNY SHARPE: Yes, I'm aware.

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The Hon. WES FANG: —since you came to government. Do you understand the impact that's having on the forestry industry on the Mid North Coast?

The Hon. PENNY SHARPE: Yes, I do. I've actually been and visited mills. I've talked to the industry a lot, and I've talked to unions in relation to this. I have taken this process extremely seriously and have spoken to many. I have been out on people's properties. I have been to mills. I have talked to people about this. This is a very serious matter, and I take it very seriously.

The Hon. WES FANG: How many harvesting crews have you spoken to?

The Hon. PENNY SHARPE: I have spoken to businesses that have harvesting crews. I haven't spoken directly to harvesting crews.

The Hon. WES FANG: You haven't spoken to those people who will be directly impacted by their jobs being lost.

The CHAIR: They were all out logging, Wes.

The Hon. WES FANG: Chair, whilst I appreciate I may have been interrupting you a little bit—

The Hon. PENNY SHARPE: Just to be clear, there has been an industry panel established from day dot that has representatives of a range of different people who deal with all of the aspects of the industry, and those matters have been talked through very carefully and very seriously on the way through.

The Hon. WES FANG: You'd be aware that the industry itself is concerned that you've stacked a lot of those panels and you're not actually speaking to the people who are impacted on the ground. How many harvesting crews have you spoken to?

The Hon. PENNY SHARPE: I have just told you.

The Hon. WES FANG: None?

The Hon. PENNY SHARPE: Correct.

The Hon. WES FANG: How many haulage crews have you spoken to?

The Hon. PENNY SHARPE: None, because there has been an industry panel that has dealt with and represented those matters, and the way in which we will deliver this park will have taken into account all of those matters. I have not been personally negotiating with every person who is impacted by the park, but I have taken extremely seriously, as this Government has, the input from industry, from unions and from a range of different players through the industry, and we will continue to do so.

The Hon. WES FANG: Is it fair to say, then, that you've outsourced the consultants and you haven't actually spoken to these people directly—the people who are going to be impacted by the job losses when you shut down forestry on the Mid North Coast?

The Hon. PENNY SHARPE: The assertions that you make are false.

The Hon. WES FANG: Are you going to guarantee that forestry will continue on the Mid North Coast when you announce the park?

The Hon. PENNY SHARPE: There will be an impact from the park, but forestry will continue.

The Hon. WES FANG: So there will be adequate supply for the timber agreements that are in place to ensure—

The Hon. PENNY SHARPE: As I've said to you, all of the detail will be revealed when we announce the park.

The Hon. WES FANG: Have you calculated the cost to businesses up and down the Mid North Coast when you introduce this Great Koala National Park that you're looking to? I'm not just talking about those who are directly employed in the forestry industry but also those people that are downstream: tyre suppliers, fuel suppliers, those who do insurance and the local communities that rely on those jobs in those local areas.

The Hon. PENNY SHARPE: The impact will have been worked through, yes.

The Hon. WES FANG: How are you going to compensate those communities for the job losses that won't come back?

The Hon. PENNY SHARPE: The detail in relation to this will be released when the park is announced.

CORRECTED

The Hon. WES FANG: Are you going to adequately provide compensation to not only those who are directly impacted through job losses but also those who will be impacted indirectly through the loss of economy in the local areas?

The Hon. PENNY SHARPE: The detail will be dealt with when it's announced.

The Hon. WES FANG: Minister, it's been two and a half years now. Those answers are not providing any certainty for those people who are employing and who are in business. Do you understand the impact you are having in relation to the uncertainty that you have provided this industry with the delay?

The Hon. PENNY SHARPE: There's not a delay. The work that's been done has been working through many of the issues that the industry has raised. I know that people want a decision as soon as possible, as do I, but this is actually important, careful work where the kind of questions that you're asking will be able to be answered, where we haven't just gone—some people here would've just wanted me to basically make the park and deal with all of the details after. That's not what we've done. We've also had to work through, really carefully. I really thank the unions and the industry players who've taken this seriously and raised many issues, that we've worked through as part of it.

The Hon. WES FANG: Minister, how many hectares of Kosciuszko National Park have been clear-felled in order to provide clearance for transmission projects?

The Hon. PENNY SHARPE: I'd have to take it on notice, but I know it's significant.

The Hon. WES FANG: It's significant.

The Hon. PENNY SHARPE: Just to be clear, it's a Federal project—

The Hon. WES FANG: Understood, Minister, but—

The Hon. PENNY SHARPE: —that was put through by the previous Government.

The Hon. WES FANG: Minister, not relevant to the question I was asking.

The Hon. PENNY SHARPE: It is, if you're worried about it.

The Hon. WES FANG: It's not, because I'm asking about—

The Hon. PENNY SHARPE: If you're worried about what I've inherited from you, then it is that.

The Hon. WES FANG: No. I'm asking, in relation to the areas that have been clear-felled in order for you to put those transmission lines through Kosciuszko National Park, what did you do with the timber?

The Hon. PENNY SHARPE: I'm not putting them through, just to be clear. They're not my transmission lines.

The Hon. WES FANG: What happened to the timber? We have a hardwood timber shortage in the State. What did we do with the timber?

The Hon. PENNY SHARPE: I know that there are some issues about this. The detail of that, though, I'm happy to take on notice and come back to you. If I can come back before the end, I'll do that.

The Hon. WES FANG: Do you know, Minister, if some of those trees were woodchipped instead of being provided to mills?

The Hon. PENNY SHARPE: I don't know. As I said, let me—what are you wanting to put to me? Let me get you a response. I'm not across the detail of that. I'm happy to come back to you.

The Hon. WES FANG: My understanding is that, despite there being a hardwood shortage in this State, National Parks have effectively woodchipped most of those trees instead of providing them to the mills to provide hardwood.

The Hon. PENNY SHARPE: It wouldn't be National Parks. As I said, the detail that you're asking is a little unclear, but I'm happy to take it on notice. If we can get an answer before the end of the hearing, I will provide that.

The Hon. WES FANG: Okay. Did you consider actually using the resource to actually generate income and provide relief to those—

The Hon. PENNY SHARPE: As I said, let me find out. I don't know. Let me find out.

CORRECTED

The Hon. WES FANG: All right. Minister, yesterday the EPA released a press release indicating that they were going to prosecute Forestry Corp for an event that happened in August 2023. It's now August 2025—in fact, it's 29 August.

The Hon. PENNY SHARPE: Is this Tallaganda?

The Hon. WES FANG: Yes. Minister, what is the statute of limitations in relation to the prosecution?

The CHAIR: Two years.

The Hon. PENNY SHARPE: I think we must have been close to it, which is why I think it needed to be done now. I will say a couple of things about EPA prosecutions, and Mr Chappel can jump in if he needs to. The EPA has to be a model litigant in relation to these matters. There is a very significant investigation that is undertaken before prosecutions are undertaken. It's different to the police, where you don't get to charge and then deal with it later. This is actually exactly the issue that we had with asbestos, which was everyone saying, "Why can't you charge people straightaway?" It's actually because of the way in which investigations and charging operates under the EPA. They actually have to complete the entire investigation and then they need to move forward. My understanding is, I think, it was Monday, or pretty close to it, in terms of when the statute would run out. This has been an exhaustive investigation and 29 offences are being dealt with. I'm not going to talk very much about it because it's now before the courts.

The Hon. WES FANG: Minister, do you not concede that you've had two years to launch a prosecution here, but you released the press release literally at the death knell of it potentially failing and you did it on the eve of estimates.

The Hon. PENNY SHARPE: Why are you sad about this? Sorry, I don't understand what the point is here. The investigation concluded. The working with the courts was dealt with, I think, this week. As soon as that was finalised, it was then released publicly. I'm not quite sure what the sin is here.

The Hon. WES FANG: There are many, Minister, but I might address some of those later this—

The Hon. PENNY SHARPE: The other point that I would make is the EPA is an independent regulator. I do not direct them in relation to these matters, and nor should I.

The Hon. WES FANG: Which is why the timing was curious, especially on the eve of estimates.

The Hon. PENNY SHARPE: Sorry, the—

The Hon. WES FANG: The eve of estimates, you put the press release out.

The Hon. PENNY SHARPE: I think, as you've probably identified, it takes a long time to do the investigations. They were finalised right down to the wire, but they were done. As soon this became clear, there was a press release; we haven't hidden it. The point here is that it was getting to the statute of limitations, which we've accepted. I don't understand where the conspiracy is here.

The Hon. WES FANG: Okay. I might address this a little bit later. You're obviously the Minister for Heritage—

The Hon. PENNY SHARPE: I am. I'm lucky.

The Hon. WES FANG: —and you're in charge of National Parks. Scheyville has been a long, drawn-out process.

The Hon. PENNY SHARPE: Yes, and I think that the people there have appreciated your advocacy on their behalf. I think a lot of good things have been able to happen as a result of it.

The Hon. WES FANG: Okay. If that's the case then, Minister, why is there still a dispute around the commandant's house? Why hasn't National Parks commenced, or even completed, the work that they should have done under the instruction of Heritage NSW? You are the Minister for both departments.

The Hon. PENNY SHARPE: I know. Let me have a look—I do have some information here.

The Hon. WES FANG: Whilst you're looking at that, I might put a further question, Minister.

The Hon. PENNY SHARPE: Yes, I'm looking specifically for the commandant's house. Just give me a minute; I've got it here. I know that there's a request to license additional buildings within Scheyville, and that includes the commandant's house. The advice that I have is that National Parks is seeking a detailed proposal from Hunter Anzac Memorial Limited.

CORRECTED

The Hon. WES FANG: Whilst that's occurring, do you accept that Heritage NSW has indicated that there are immediate works that need to occur on the commandant's house?

The Hon. PENNY SHARPE: I'd need to take that on notice in terms of what directions they've made, but you're probably right.

The Hon. WES FANG: Why hasn't National Parks and Wildlife Service commenced that work?

The Hon. PENNY SHARPE: I believe there has been some work that's been done. I'll take on notice how much has actually been done. There's also been some funding from the Commonwealth in relation to this, which is also assisting. Sorry, my advice is that they've actually reopened. Let me take the detail of that on notice and I'll come back to you. I'll try to do it within the hearing.

The Hon. WES FANG: Thanks, Minister. In relation to the fact that it was Defence property before it transferred across to National Parks, are you convinced that Crown Lands has transferred it correctly to National Parks and Wildlife Service and that the majority of Scheyville does not in fact still sit with Crown Lands?

The Hon. PENNY SHARPE: I'm not aware of the issue that you raise. Are you suggesting that there was some problem in the transfer and the creation of the park?

The Hon. WES FANG: My understanding is that they can't find the deed that transferred from Defence to National Parks for the whole part of the—there were two parts—

The Hon. PENNY SHARPE: Was it 1996?

The Hon. WES FANG: —and only one part of the two parcels of land was transferred correctly. In fact, it's very likely that Scheyville still sits with Crown Lands.

The Hon. PENNY SHARPE: Interesting. I haven't heard that before. I'll take it on notice. We'll find out.

The Hon. WES FANG: Thank you, Minister. Just in relation to the energy bill that got rammed through in two days—

The Hon. PENNY SHARPE: That you didn't support.

The Hon. WES FANG: No, that's correct. We didn't support it. We proudly didn't.

The Hon. PENNY SHARPE: We were appreciative of the Liberals' support.

The Hon. WES FANG: Minister, have you issued a direction to any network operators in relation to the new powers you have under that bill?

The Hon. PENNY SHARPE: Not yet, no.

The Hon. WES FANG: You haven't issued any directions?

The Hon. PENNY SHARPE: Over the period of time of being a Minister, I have, but under this, no.

The Hon. WES FANG: So there is no direction yet to ACEREZ or Transgrid in order—

The Hon. PENNY SHARPE: No, but I think one's coming.

The Hon. WES FANG: When do you expect that that will happen?

The Hon. PENNY SHARPE: I don't know. I'd need to ask the department when they're going to get it to me. Soon.

ANTHONY LEAN: I think the process is underway, but we need to go through a couple of steps in terms of consultation.

The Hon. WES FANG: And those directions are required in order to allow ACEREZ and Transgrid to secure finance for those synchronous condensers, is that correct?

ANTHONY LEAN: It's not related to ACEREZ.

The Hon. PENNY SHARPE: This first round is primarily, as we've said, about the synchronous condensers for Transgrid and for the compressed air in Far West but—

The Hon. WES FANG: So none of these directions will involve ACEREZ and the seven synchronous condensers?

CORRECTED

The Hon. PENNY SHARPE: No. Let's be clear here: You're guessing about a lot of things and speculating about a lot of things.

The Hon. WES FANG: We have to, Minister. We don't get answers.

The Hon. PENNY SHARPE: We make public a lot of this information and we will do so once it's finalised. As I've said to you, the department's doing the work. These directions are complicated. They need to be legally robust and they need to be worked through properly. I will await that. I have full faith in my department to be able to provide that to me. I can try and find out when that's likely to occur, but the detail of what's in there and out, particularly in the middle of consultation with affected parties, is not something I'm going to share with this Committee at this point in time.

The Hon. WES FANG: In relation to the fact, then, that there haven't been any directions under the new bill or any directions to network operators, I'll restate the question that I asked earlier but probably in a more direct way. Are you assured that you will receive synchronous condensers in order to integrate them into the grid before you close Eraring Power Station in mid-2027?

The Hon. PENNY SHARPE: Firstly, I don't close Eraring Power Station.

The Hon. WES FANG: Okay, but before it's scheduled to close in mid-2027.

The Hon. PENNY SHARPE: I'm not in the business of trying to get gotcha moments for you to say, "Will you guarantee"—

The Hon. WES FANG: I know you're not, Minister, but I'm asking you a question.

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

The Hon. WES FANG: Sure.

The Hon. PENNY SHARPE: The whole point of that legislation was that I'm hoping it will mean that synchronous condensers—there's a worldwide shortage of synchronous condensers and worldwide demand. What this legislation is hoping for us to do is to be able to bring forward by 12 to 18 months when those can be completed. We are going to do everything in our power to have them in place in that time frame. Can I guarantee it? No, I would be a very unwise Minister to make the kind of guarantee that I'm not in a position to make, when it's going to be dealt with in three years time.

The Hon. WES FANG: Minister, in that circumstance, the document that I tabled earlier indicated that if those synchronous condensers aren't online, we are going to face Spanish-style grid outages.

The Hon. PENNY SHARPE: No, I totally disagree with you.

The Hon. WES FANG: So you don't believe that you need to continue with the Eraring Power Station past mid-2027 in order to secure grid stability?

The Hon. PENNY SHARPE: The future of Eraring Power Station is not a decision for the New South Wales Government; it's a decision for Origin, which owns it, which you sold it to.

The Hon. WES FANG: Minister, has Transgrid indicated to you how they will secure and stabilise the grid if Eraring goes offline and they don't have the synchronous condensers in place?

The Hon. PENNY SHARPE: We are working closely with all parts of the energy system to make sure that any gaps are addressed.

The Hon. WES FANG: Minister, that's a very wideranging answer to a very narrow question that I asked. Has Transgrid indicated to you how they will secure the network stability if Eraring closes in mid-2027 and they do not have—

The Hon. PENNY SHARPE: That's why I'm directing them to get the syn cons. That's the whole point.

The Hon. WES FANG: Yes, but they won't arrive in time, Minister.

The Hon. PENNY SHARPE: How do you know that?

The Hon. CAMERON MURPHY: Point of order—

The Hon. WES FANG: Do you accept that?

The Hon. PENNY SHARPE: How do you know that?

The Hon. WES FANG: Do you accept that?

CORRECTED

The Hon. PENNY SHARPE: No.

The CHAIR: A point of order has been taken.

The Hon. CAMERON MURPHY: Mr Fang is being disrespectful to the witness, the Minister. He keeps interjecting with quips that are just redolent with malice, and he should be called to order. He should cease that conduct.

The CHAIR: I remind the member about the rules and ask him to act in accordance with the rules of procedural fairness and to be courteous to the Minister.

The Hon. WES FANG: Minister, if Eraring goes offline in 2027, has it been raised with you that you will not be able to maintain a stable grid?

The Hon. PENNY SHARPE: You've now asked me this question in four or five different ways. I will answer in the same way that I have. Every single day my department, AEMO and a range of other market players are working through how coal exits and how we replace the energy that is required. The time frames for those move around. A lot of the time frames that deal with this are contingent on the fact that we work in a privatised system. The levers that I have and that I am able to use, I am using to maximum effect—hence the piece of legislation that you now seem to be concerned about the outcome of but didn't support. We are working through all of those issues. You'd be surprised to learn I don't talk to Transgrid every day. I do meet with them regularly, and I think that they're very professional when we work with them.

The Hon. WES FANG: Minister, I've only got a little bit of time left. I just—

The Hon. PENNY SHARPE: No, let me answer the question.

The Hon. WES FANG: I want to ask about Toorale water management.

The Hon. BOB NANVA: Point of order—

The Hon. PENNY SHARPE: Why don't you let me finish the answer?

The Hon. WES FANG: I've only got a little bit of time left, and—

The Hon. PENNY SHARPE: You've asked it five different ways and I'm actually filling it out.

The CHAIR: A point of order has been taken. Do I need to hear the point of order?

The Hon. BOB NANVA: It's just to allow the Minister to answer the question, in accordance with the courtesy requirements of the procedural fairness resolution.

The Hon. WES FANG: I asked a direct question. The Minister doesn't then get leeway to talk about everything she wants to talk about.

The Hon. PENNY SHARPE: Yes, I do.

The Hon. WES FANG: No, it's got to be directly relevant.

The CHAIR: I hear the point of order.

The Hon. PENNY SHARPE: It would help if you asked useful questions.

The CHAIR: Minister, wait.

The Hon. PENNY SHARPE: Sorry.

The Hon. WES FANG: Minister, that's quite rude.

The CHAIR: Mr Fang, can I point out—

The Hon. WES FANG: These are not my questions; these are questions from affected community members and people who are going to lose power when you haven't stabilised the grid.

The Hon. PENNY SHARPE: You opposed the legislation that would help me fix it.

The Hon. WES FANG: We did, because we want—

The CHAIR: Mr Fang, stop.

The Hon. PENNY SHARPE: You opposed the legislation.

The CHAIR: Minister, stop.

CORRECTED

The Hon. WES FANG: You didn't consult with our communities, Minister.

The CHAIR: I point out that Hansard is busy trying to make everything work for us. Can we just have some order and respect?

The Hon. WES FANG: Apologies, Hansard.

The CHAIR: Now we are moving to Mr Ruddick.

The Hon. JOHN RUDDICK: Minister, I suspect one of your most unpleasant responsibilities is related to the brumby issue. I know that there are no good options here, but there could be a bright spot. In April this year, East Gippsland Shire Council released its feasibility study about setting up a large-scale, seriously well-funded high country brumby tourism centre. We think that New South Wales should think about doing something similar, because this is the land of the Snowy River. We could have a brumby world, where we could set aside a large part of the area and make it a tourist attraction—a big, world-famous brumby world tourist attraction. Is that something that you think the Government may want to encourage to take place? Of course we would support it being funded by the private sector, but the Government could give voice to something of that nature. At least we could preserve some of the brumbies. As we all know, there are a lot of people out there that have a deep affection for them.

The Hon. PENNY SHARPE: Thank you for the question. There are a couple of things I'd say about this. If you drive through the Monaro, you know that brumbies are very well represented in the names of pubs. They're also the Canberra rugby union team that my nephew used to play in as a junior Brumby. There are a whole range of areas in terms of the representation and the importance of brumbies to that part of New South Wales, and I don't think there's any argument from anyone about that. The argument has been about whether horses should be in the park, and obviously that is now being resolved in some ways. There is no intention to eradicate all of the horses from Kosciuszko National Park. We're working under the horse management plan, and that's what we've been doing.

In relation to whether there needs to be another tourist attraction, to be honest, I'd say that that's really a matter for—there's nothing stopping anyone doing that. It would not be something that we would do within the national park; I can be very clear about that. But if people want to pursue that, that's fine. There is quite an incredible recognition of the role of brumbies in that community, dotted throughout the Monaro, which I think is actually quite well represented. Maybe what you're talking about is that there needs to be a trail where people can actually go and have a look and talk about it. There are a lot of businesses that are operating. National Parks allows horseriding in the park. I think there's a range there, but the short answer is no.

The Hon. JOHN RUDDICK: I apologise for being a broken record, but I did want to talk about Mount Warning. Last year the department announced that it would be reviewed again in December this year. Minister, I do feel as though you're just kicking this can down the road because you don't want to make a decision.

The Hon. PENNY SHARPE: No, that's not true.

The Hon. JOHN RUDDICK: Could you give us an update on where we're up to? What is the likelihood and what is the likely timing for when Mount Warning will be reopened to the public?

The Hon. PENNY SHARPE: It's not something that I really am trying to kick down the road. I just want to be really honest about it. It's a very challenging issue, and it's a challenging issue for a range of reasons. One is that Wollumbin/Mount Warning is a very sacred place for Aboriginal people. There is disagreement within the Aboriginal community about the way, the nature and the conditions under which access should be provided to that. I also accept that there are many, many people in the non-Aboriginal community who have previously been up there who desire to be able to go there as much as they would like.

The Hon. JOHN RUDDICK: The Chair has walked to the top of it.

The Hon. PENNY SHARPE: That's fine. We look at the ways in which we protect—

The CHAIR: Thirty-five years ago.

The Hon. JOHN RUDDICK: When it wasn't a sacred site.

The Hon. PENNY SHARPE: There's no shame in the fact that people have done that. What we are really trying to deal with is—and since that time, Wollumbin has been made an Aboriginal place. When it's made an Aboriginal place, it has special protection within the National Parks and Wildlife Service. That is not an unusual thing. What is unusual is that this is an area that previously has been accessed by literally thousands and thousands of people over time. It is a change. I regularly am very fortunate to visit national parks and to visit Aboriginal places, where traditional owners show me these very special places and they're able to do that. We've had a challenge with Wollumbin/Mount Warning. I haven't kicked it down the road. I have been talking to the

CORRECTED

Wollumbin Consultative Group. I obviously receive and have met with a bunch of people who are very clear on trying to open it. I would hope to be able to come to a landing on it very soon.

The other part—and these things have been conflated, and I understand they've frustrated people—is that the safety aspects, if there was going to be any reopening of it, also need to be addressed. There are some complications in relation to how you get permission for that to occur. These are issues that we've been trying to work through. I really have met with all sides in relation to this. I've talked to local councils. But I also want to acknowledge the work of the Wollumbin Consultative Group. For 20 years they have been talking about how this place is managed and how it's managed appropriately. Those conversations continue and they're also important. It's probably not the answer that you wanted, Mr Ruddick, but I really want to assure you that I'm not kicking this down the road.

The Hon. JOHN RUDDICK: If we're not kicking it down the road, then we could be expecting a decision on whether the general public can access the mountain prior to the next State election? That's a year and a half away.

The Hon. PENNY SHARPE: Yes, that's probably right.

The Hon. JOHN RUDDICK: Good to hear. Are there any other locations around New South Wales that you are considering locking up due to Aboriginal cultural heritage concerns?

The Hon. PENNY SHARPE: I just really disagree with you on that characterisation of the way in which we manage national parks and particularly Aboriginal cultural heritage.

The Hon. JOHN RUDDICK: Are there any other national parks where we're considering having the same treatment that Mount Warning has had applied to it?

The Hon. PENNY SHARPE: There are already parks—and I've been to some of them. Changing access to parks is not unusual and it's not just as a result of Aboriginal cultural heritage. We're constantly opening and closing parks for a range of different reasons, whether it's fire or pest control. Sometimes it is also for cultural gatherings or for particular Aboriginal sites. There are—and this is not unusual within Aboriginal place recognition—often men's and women's spaces. I have been extremely fortunate to have traditional owners take me there—women have taken me to the women's spaces. I have not gone to the men's spaces. I recently had a really great tour in Mutawintji National Park for their cultural gathering. I highly recommend it, if people haven't been. They should go next year.

This is a Part 4A Aboriginal controlled park. I was taken through the areas and I know I was extremely privileged to have people take me through, interpret and explain the incredible rock art that is there. There were clearly pieces of rock art there that they're not able to explain to me and I actually respect that. I respect that, as with the Aboriginal owners of that park. That's what we're trying to do here. There's a huge opportunity to appreciate it. I don't consider it locking up. I consider it sensitive and careful management that actually gives more access to more people while recognising the traditional owners and the culture that they have practised for tens of thousands of years, and we're actually making sure that that's preserved.

The Hon. JOHN RUDDICK: My final question is in relation to your role as the Minister for Heritage. As you know, when there is a division in the Chamber, I typically vote with the Opposition.

The Hon. PENNY SHARPE: Not always.

The Hon. JOHN RUDDICK: Not always, and in particular I am very pro the Government when it comes to your development agenda.

The Hon. PENNY SHARPE: Yes.

The Hon. WES FANG: Despite how much of a failure it is.

The Hon. JOHN RUDDICK: Well, they're having a go, Wes.

The Hon. WES FANG: They've done nothing. Where are those houses they promised?

The Hon. JOHN RUDDICK: Yes, they are weak, but—

The Hon. WES FANG: Where are the houses they promised? None.

The Hon. JOHN RUDDICK: We need to encourage them for going in the right direction.

The Hon. WES FANG: It's gone down.

The Hon. JOHN RUDDICK: You're worse.

CORRECTED

The Hon. WES FANG: No, it's gone down.

The CHAIR: Mr Fang, refrain.

The Hon. WES FANG: Sorry. It just annoys me how bad they are at housing. Terrible.

The Hon. JOHN RUDDICK: I repeatedly have people in my office that tell me that there are heritage listings across New South Wales which are absurd and irrational.

The Hon. PENNY SHARPE: Are you talking about the State Heritage Register ones?

The Hon. JOHN RUDDICK: Yes.

The Hon. PENNY SHARPE: Okay. Which ones?

The Hon. JOHN RUDDICK: Sorry, no, just local councils.

The Hon. PENNY SHARPE: Local ones aren't mine.

The Hon. JOHN RUDDICK: Okay. I asked a similar question the other day to the planning Minister and he said I should ask this question of you.

The Hon. PENNY SHARPE: Okay, great.

The Hon. JOHN RUDDICK: When there is a piece of property that has genuine heritage value—for example, Gough Whitlam's Cabramatta home that came up for sale recently. He was not just a Prime Minister, a lot of people love him. Private people came together and bought it.

The Hon. PENNY SHARPE: Yes, it's a little museum.

The Hon. JOHN RUDDICK: And they've put it into a trust.

The Hon. PENNY SHARPE: The Whitlam Institute, yes.

The Hon. JOHN RUDDICK: That should be the default position. If something truly has heritage value, there will be people out there who will pull funds together. We can have more of a philanthropic mindset with these things. But there are councils across the State that are impeding development because they're slapping heritage listings on them. Do you think that there should be some type of an inquiry to have a fresh look at how we can make heritage listings far more efficient, if not entirely phase them out and hand it over to the market?

The Hon. PENNY SHARPE: There are always a few things to unpack in that. Within the legislation that I'm responsible for is the State Heritage list. Obviously within the EP&A Act there is how local government is able to declare and work through their LEP process around heritage conservation areas and individual listings. They don't speak well to each other. I think we can agree about that. I think part of the finalisation of the Heritage Strategy and the considerations about changes to the Heritage Act is an open question and I'm just being really clear: The Government has made no decision. I don't have a formed view in relation to this. But how does the local government listing interact with the State listing?

This Government is concerned about some use of heritage conservation areas. I need to declare that I live in a heritage conservation area in my council. But the use of that as an idea to then mean that we can't do the kind of medium density around housing is not something that we support. Things like not allowing solar panels in heritage conservation areas for me, as the energy Minister, is deeply concerning if we're talking about people being able to access cheaper energy into the future.

I think those things are live considerations. I don't have a firm view about how we resolve them. A lot of them are the councils and I think different councils have a very different approach. I think it's part of the conversation, but I don't have a firm view. But in terms of where you take it and whether you do an inquiry or something, I'll leave that to you. I'm sure you'll bring that to the Parliament if you want to do that. We're at a high level considering how some of that might interact with any Heritage Act reforms, but no decisions have been made at all, so I don't want everyone to get concerned about that. But I think you're right to raise it.

Ms CATE FAEHRMANN: Minister, what was the catalyst to seek legal advice that triggered the environmental watering freeze?

The Hon. PENNY SHARPE: Just give me a minute. I'm aware of this issue.

Ms CATE FAEHRMANN: In terms of helping to guide the response—hopefully—I was told during Water estimates that it was in relation to a specific watering event.

CORRECTED

The Hon. PENNY SHARPE: Yes. I think there are three things that are coming together here. It's complicated. I think there are three things that are occurring here, and Mr Lean has just whispered in my ear that it wasn't as a result of a specific event.

Ms CATE FAEHRMANN: All right, that's useful.

The Hon. PENNY SHARPE: There is a new kind of requirement that hasn't been considered previously, which is having metering in place that complies with the Non-Urban Water Metering Policy. The second issue is the technical issue around how "take" is defined under the Water Management Act. What has also been driving concern around this is the stop work order being directed in relation to the operating arrangements for Toorale. I think those three things have come together. Can I just say up-front that I totally accept that this is very problematic and that we need to get to the bottom of it pretty quickly. The idea that we're not going to be able to deliver the environmental water as we should is really important. Minister Jackson and I are working through it pretty quickly.

Ms CATE FAEHRMANN: There can also be an exemption potentially granted by you or the water Minister, I understand.

The Hon. PENNY SHARPE: Yes, it's the water Minister.

Ms CATE FAEHRMANN: In terms of the freeze, how much of it is self-imposed, if you like, from your department and how much of it is NRAR's position?

The Hon. PENNY SHARPE: I might give this to Mr Lean. He's been tackling that. I'm not trying to be tricky about it. He knows the details; it's a detailed question. Or I can take it on notice.

Ms CATE FAEHRMANN: It's been very hard to work out from our questions.

The Hon. PENNY SHARPE: It is, yes.

ANTHONY LEAN: Just to be clear, it's the Commonwealth Environmental Water Holder that has indicated that he is putting a freeze in place. We are looking at each planned water event on a case-by-case basis and making a decision around whether we're able to proceed in light of the two issues that have been identified around section 60 and the issue around water transferring from one source to another, and the issue around the non-urban metering reforms as well and whether there's a risk in proceeding with that because we're unable to properly measure the take where we're required to do that.

Ms CATE FAEHRMANN: This has been the issue with floodplain harvesting for a hell of a long time and they're still able to take, including stuff that you can't measure—for example, rainfall run-off. It's a bit ridiculous.

The Hon. PENNY SHARPE: It's a change in the way in which this has been interpreted, and we're trying to respond as quickly as possible. I have got some advice around planned events. The advice that I have is that there are 56 events planned this year. Only one event so far has been cancelled and 12 have already been delivered or are about to be.

Ms CATE FAEHRMANN: I think 1 September was a critical date for some. I think, the marshes—

The Hon. PENNY SHARPE: You're across the detail much better than me. My understanding is that, just specifically on the marshes—I know well, and I know the landholders well up there—they've received one release, there's another one underway and there's another one planned next month. I think there is an impact because the Commonwealth water holder is pulling some back. So whether the volumes are the same, I can't give that answer, but I'll take it on notice.

Ms CATE FAEHRMANN: We'll keep, potentially, talking about this offline as well.

The Hon. PENNY SHARPE: We're also wanting to put out a bit more information for people. We're aware there's a lot of confusion. My understanding is that will be happening pretty soon, as we get better information.

Ms CATE FAEHRMANN: Okay, because the water Minister committed to that as well.

ANTHONY LEAN: This afternoon.

The Hon. PENNY SHARPE: Oh, this afternoon. There we go.

Ms CATE FAEHRMANN: Excellent.

The Hon. PENNY SHARPE: Will we be able to table that here?

CORRECTED

ANTHONY LEAN: Yes.

Ms CATE FAEHRMANN: There's also a new reg that is coming. Will you, Minister, commit to releasing the legal advice that you've based this on so that the community and particularly even us as members know what we're looking at in terms of that reg, and whether it's fixing the problem?

The Hon. PENNY SHARPE: I'll commit to seeing whether we can. Can we just do that? Again, I don't know enough about that kind of stuff.

Ms CATE FAEHRMANN: Thank you. I want to turn to another issue, and I have got some documents for the secretariat to hand out. These are some emails that were obtained via a GIPAA.

The Hon. PENNY SHARPE: What are they about, Cate?

Ms CATE FAEHRMANN: This is in relation to lead.

The Hon. PENNY SHARPE: Is it Bowdens?

Ms CATE FAEHRMANN: Broken Hill but getting there. These emails detail exchanges over four years between EPA officials regarding the publication of an important piece of work by Professor Mark Taylor. Professor Mark Taylor is the chief scientist for Victoria's EPA, and he did the work *Environmental Lead Risks at Broken Hill, New South Wales, Australia: Sources, Exposures and Forward Solutions*. He undertook that for the Broken Hill Environmental Lead Program, I understand. Minister, firstly, the back page of the email documents that were handed out indicate that you did meet—you and the CEO were briefed on this report in October 2023.

The Hon. PENNY SHARPE: That's probably right, yes.

Ms CATE FAEHRMANN: Can you recall that? I know it's two years ago.

The Hon. PENNY SHARPE: I get a lot of briefings. Just ask me and I'll tell you if I remember or not.

Ms CATE FAEHRMANN: The report shows that current mining activities are a major contributing factor to blood lead exposure in Broken Hill in particular, through exposure to lead in dust. It also says that about half of the children aged one to five in Broken Hill have dangerous blood lead levels. Two-thirds of those are First Nations. Minister, what these emails document is a concerning culture, to be honest, potentially within the EPA, of suppressing an important report like this because it is going to offend the mines. This report was suppressed for four years.

The Hon. PENNY SHARPE: Is this where I said I wanted it published?

Ms CATE FAEHRMANN: You said—according to the email: "I received feedback that the Minister advised that she understood the risks associated with publication and supported that the reports be published."

The Hon. PENNY SHARPE: We published them, didn't we?

TONY CHAPPEL: That's right. I'm happy to talk more about this this afternoon as well, Ms Faehrmann. I do have some more detail on this, but I understand COVID, the peer review process and some other elements all contributed to that delay. As soon as I became aware of this, when I became head of this agency, we moved expeditiously to brief the Minister and release it. There was certainly no—

Ms CATE FAEHRMANN: We can come back to that because these emails basically say that the mines—Broken Hill—had the report for about two years and were very nervous about its response. We'll come back to it in the afternoon.

The Hon. PENNY SHARPE: Can I say, just generally, my general posture on all of these matters is if we can release them we should. I knew that they'd been sat on for a long period of time. It looks like there's a bit of to-and-fro about when it was, but they were released.

Ms CATE FAEHRMANN: I do want to say why this is important because this was suppressed at the time that the Bowden's lead, zinc and silver mine was being assessed.

The Hon. PENNY SHARPE: Sorry, this was during the period of the previous Government, just to be clear.

Ms CATE FAEHRMANN: Yes, but your Government is now. So Bowdens is up for—once again, the planning approval process is being undertaken. What the community is very concerned about—this is the Lue community near Mudgee—is that this report shows the impact of lead mining activity on the local community in terms of health, on air quality, on children's health. It shows that Broken Hill, the current mining, they can't keep their lead emissions under control from open-cut lead mining. At the very least, what they're requesting is that there is a new EIS and that new information is taken into consideration for the assessment process of this—what

CORRECTED

is majority lead—mine at Bowdens, Minister, because it's taking place two kilometres from a primary school. Again, this was kept hidden at this crucial time for a several-year period even—and it documents here—while we did the parliamentary inquiry into those three mines. It even says here one of the issues to consider is timing—

The Hon. PENNY SHARPE: Sorry, what are the dates for that?

Ms CATE FAEHRMANN: —regarding the parliamentary inquiry in Cadia.

The Hon. PENNY SHARPE: I'm not quite sure what you're asking me.

Ms CATE FAEHRMANN: Apparently Minister Scully has said they are open to new information. I'm just wanting to see whether you as Minister will make sure that this report for—

The Hon. PENNY SHARPE: Absolutely.

Ms CATE FAEHRMANN: —the EPA will at least go there.

The Hon. PENNY SHARPE: Yes, of course.

Ms CATE FAEHRMANN: What about a new EIS?

The Hon. PENNY SHARPE: That's not a decision for me. I'm happy to talk to Mr Scully about all of those things, but it's a planning matter that I don't—

Ms CATE FAEHRMANN: But the EPA did keep this—

The Hon. PENNY SHARPE: We can't speak to that.

TONY CHAPPEL: I can't support that kind of characterisation. The report, which I have also read and engaged with Mr Taylor on in his former role—

The Hon. PENNY SHARPE: I also say that Mr Taylor is now working for DCCEEW. He's the head of science, and we welcome him.

TONY CHAPPEL: I'm sure we can provide extensive detail on this, but it goes through the 150-year history and the legacy issues being a major contributor and then the operating mines as well. I think it puts the causal nexus very much as a joint issue. That's the complexity of managing the site and managing the town for better outcomes for the impacted community. Those impacts have been significant for many, many decades.

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

The Hon. WES FANG: Minister, to your knowledge, has DCCEEW or its predecessor agencies ever been issued a stop work order by the NRAR before at Toorale or anywhere else?

The Hon. PENNY SHARPE: I'm not aware of it, but let me take it only notice. I don't believe so.

The Hon. WES FANG: In relation to the OMP for the site, it was dated—

The Hon. PENNY SHARPE: Are you talking about Toorale?

The Hon. WES FANG: Yes, and the operating and maintenance plan. Was it still in date? It finished in June 2024. Has it been updated?

The Hon. PENNY SHARPE: I think we should take that on notice. Isn't there—

ANTHONY LEAN: There's an ongoing investigation into that at the moment. There's a difference of opinion between NRAR and the department previously in terms of what was required under the approval and whether that approval was consistent with the Water Management Act.

The Hon. WES FANG: Do the conservative heritage regulation group and National Parks and Wildlife Service have respective roles on the site, or are they separate? Do they operate together or do they separate out?

The Hon. PENNY SHARPE: We work as one department all the time, but they do have different roles.

ANTHONY LEAN: There's a complex arrangement in terms of who holds which approval and which licence and stuff, but the Deputy Secretary for Conservation Programs, Heritage and Regulation will be here this afternoon.

The Hon. WES FANG: Excellent. I have plenty of questions.

The Hon. PENNY SHARPE: Ask Brendan. He'll know.

The Hon. WES FANG: You can come back too, Minister, if you like.

CORRECTED

The Hon. PENNY SHARPE: I might.

The CHAIR: Minister, DCCEEW is currently carrying out public consultation on the draft regulatory changes relating to the gas supply and pipeline projects in New South Wales—so both the two proposed guidelines: one on the authority to survey and the other on compulsory acquisition. As you know, Santos is current engaging and communicating with landholders. Can you please confirm that you will not permit Santos to invoke the authority to survey along the Queensland-Hunter gas pipeline route until the public consultation for those two guidelines and draft amendments to regulations is properly done?

The Hon. PENNY SHARPE: I'd need to check where it is. Obviously there's no request before me around authority to survey. I have provided authority to survey on the Hunter line. Can I just take that on notice?

The CHAIR: Yes.

The Hon. PENNY SHARPE: I think what you're fundamentally asking me is for a commitment that I won't do something. I won't give you that commitment. What I will do is make sure that we're doing—part of the work that we're doing is a result of investigations previously, and the guidelines are about making sure that community consultation is done properly. It's a bit sort of chicken and egg, so I'm not going to give you a guarantee around that. I'm not sure where it is in the system to getting to me, so let me just find out. I just don't know.

The Hon. CAMERON MURPHY: I wanted to ask the witnesses if there was anything else they wanted to add arising from the issues that were canvassed today?

The Hon. PENNY SHARPE: I've got one thing, which is just to clarify that there has been a lot of discussion about system strength and who controls it and what we're involved in and asking me for guarantees. The information I wish to provide to the Committee is that AEMO actually determines the stability of the grid and what's needed for that. We continue to act on their advice, but that's actually their role, as they run the market.

This is an update on the New South Wales heritage strategy. The heritage consultation strategy closed on 13 July. The draft strategy deals with a range of reforms, some of which will be dealt with by legislation, which the Government is planning on doing next year. In relation to the questions from Ms Munro, the strategy is deliberately budget neutral because it's really mostly about the regulatory framework. In relation to the Snowy and timber—I know Mr Fang's interested in this.

The Hon. WES FANG: Very.

The Hon. PENNY SHARPE: National Parks didn't do the clearing; Snowy Hydro undertook the clearing. As part of the agreement and their development consents, the decision about what happened to the timber was a matter for them. They were acting on instruction from the decisions and planning approvals that were done by the previous Government and the previous Federal Government. Dr Cohn's not here but I know she'll be very interested in wood heaters and electrification. We don't have an electrification target. I'm sure she'll come back to me on notice to tidy this up, but we are talking about electrification targets as part of the consumer energy strategy. We're working through all of that. Again, I'd point the member to the energy saving scheme, ESS. We're dealing with that.

There was a question about the LTESAs. In terms of transparency, the ASL website records the results of all tenders in terms of successful projects. ASL publishes market briefings after every tender, which include insights on the projects, such as average bid prices. ASL's biennial infrastructure investment objectives report, ASLBIIOR, includes details on all projects that have been awarded and includes forecast scheme costs passed through to consumers. That information is there. Obviously I'm happy to take any other additional questions you have on notice around what else is there.

Then there is some information around the nature strategy funding. The nature strategy isn't finalised yet. It's like the heritage strategy because, of course, we put out the *NSW Plan for Nature*, which is what we were doing. That was in response to Ken Henry's very important review that says the status quo is not an option. We'll continue to work on that in terms of the budget. I think we took the rest of that on notice around which projects sit loosely under that, which we're happy to provide. For Ms Faehrmann and people interested in the water fact sheet, apparently it's live on our website so people can have a look at that over lunch and ask some of these colleagues later.

The Hon. CAMERON MURPHY: Thanks, Chair. That was the only Government question.

The CHAIR: In that case, the morning session has ended. Thank you, Minister, for attending this hearing. We are finished with your questioning. The Committee will now break for lunch and will return at 2.00 p.m. for further questioning and much more fun.

CORRECTED

(The Minister withdrew.)

(Luncheon adjournment)

Dr ERIN GIULIANI, Chief Executive Officer, Biodiversity Conservation Trust, affirmed and examined

Ms ALISON PEPPER, Deputy Secretary, Strategic Policy, Science and Engagement, Department of Climate Change, Energy, the Environment and Water, sworn and examined

Ms TRISH HARRUP, Executive Director, Conservation and Aboriginal Partnerships, National Parks and Wildlife Service, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

Ms NAOMI STEPHENS, Acting Deputy Secretary, National Parks and Wildlife Service, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

Mr STEPHEN BEAMAN, Executive Director, Regulatory Practice and Services, NSW Environment Protection Authority, sworn and examined

Ms HANNAH McCAUGHEY, Chief Executive Officer, Energy Corporation of NSW, affirmed and examined

Ms KIM CURTAIN, Deputy Secretary, Energy, Climate Change and Sustainability, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

Mr BRENDAN BRUCE, Deputy Secretary, Conservation Programs, Heritage and Regulation, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

Ms ELIZABETH OWERS, Acting Executive Director, Heritage NSW, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

The CHAIR: Welcome back.

The Hon. JACQUI MUNRO: I was keen to speak about coastal erosion. Who is the best person to ask about that?

BRENDAN BRUCE: That's probably me.

The Hon. JACQUI MUNRO: Can I confirm, is it within your responsibility to set policy for coastal erosion?

BRENDAN BRUCE: The Government sets the coastal management framework, which sets out the overarching policy framework. Responsibility for delivery of coastal management work sits with local councils.

The Hon. JACQUI MUNRO: On 1 April the Premier told Wamberal residents that he'd be back with a plan. I'm curious, has the Premier or the Minister come to you with any questions about Wamberal or have you undertaken any work in relation to that area?

BRENDAN BRUCE: I can't speak on behalf of the Premier. I haven't had any discussions with the Minister around any further actions around Wamberal.

ANTHONY LEAN: Could I just add, there is a piece of work underway, which is a study being jointly done by the Reconstruction Authority and the department, that is looking at the option of sand nourishment, which is one of the solutions that has been proposed in relation to Wamberal.

The Hon. JACQUI MUNRO: What is the relationship then between the reconstruction work and the coastal erosion policy work? How does that intersect?

BRENDAN BRUCE: The Minister has responsibility for the Coastal Management Act. The key element of that Act is the coastal management framework. We support councils in the development of their coastal management programs. It's within those programs that they then seek approval from Government for funding for delivery of coastal erosion protection works, which could include seawalls or sand nourishment. It's within the framework. Reconstruction Authority is mainly involved where there is emergency works involved.

The Hon. JACQUI MUNRO: This would be considered emergency work in that case.

BRENDAN BRUCE: In Wamberal, there are two separate things happening. One is an ongoing conversation around whether or not a seawall is the appropriate solution for Wamberal. There is also a discussion around some repairs to storm damage which happened, I think, back in April and May. It's in relation to those works that the Reconstruction Authority is involved.

CORRECTED

The Hon. JACQUI MUNRO: I am advised that the department has suggested to residents to put in a submission to the CMP, but that might be a year away from being finalised. Is that accurate?

BRENDAN BRUCE: The timing of the CMP is a matter for council. The Minister will consider approval of the CMP once it is submitted. I'd have to take on notice the timing of when we expect the CMP to be submitted.

The Hon. JACQUI MUNRO: How does the CMP interact with the reconstruction work?

BRENDAN BRUCE: As I mentioned, the CMP basically provides the longer term arrangements for the coastal area. Emergency works are only in relation to an east coast low or a significant erosion event. The Reconstruction Authority then has some additional powers to support emergency works.

The Hon. JACQUI MUNRO: I should be asking the Reconstruction Authority about that specific matter.

BRENDAN BRUCE: I think that's right. That response is being led by the Minister for Recovery.

The Hon. JACQUI MUNRO: There was a question about a sand-covered rock revetment wall at The Entrance. Is that within your purview, or is that also a Reconstruction Authority—

BRENDAN BRUCE: What was the question?

The Hon. JACQUI MUNRO: Whether that is in your purview—that sand-covered rock revetment wall.

BRENDAN BRUCE: A wall such as that could be a work that could be approved within a coastal management program. If council does have an approved coastal management program, they are able to seek funding from Government for those works. It does sound like that's the type of work that would be covered by a CMP. Reconstruction Authority is only really involved in relation to key storm-related erosion events.

The Hon. JACQUI MUNRO: If I may, I'm keen to table a copy of the Stockton coastline works for the Committee as reference point if this comes up in the future and for staff to understand. Thank you very much for that. I am wondering if there has been modelling done by the department on—we referenced it earlier—the extension of Eraring on possible private investment and whether a two-year further extension from 2027-29 would have an impact on financial security or stability. Has the department done modelling related to investment levels related to Eraring's extension?

ANTHONY LEAN: Not as far as I'm aware. I might ask Kim if she's aware of any modelling. We've just this year taken over doing the energy security target monitor—the function has been taken back from AEMO. That doesn't necessarily get into issues around impacts on investment. It looks at the reliability of the energy supply over the next 10 years.

KIM CURTAIN: There's a number of different analyses done by different entities. Recently, AusEnergy Services Limited [ASL] did the infrastructure investment opportunities report. They draw on various modelling from AEMO and different places that have various scenarios. It's not specifically around whether Eraring is extended and whether that has an impact. There is a lot of different scenarios that are run, but it's more of a general—what are the investment opportunities across the State. There are a lot of different impacts on that.

The Hon. JACQUI MUNRO: Does the department consider the extension of Eraring a risk to investment and new projects coming into New South Wales?

KIM CURTAIN: Not really. At the moment, Eraring is indicating 2027, but we have an agreement that says they'll be out by 2029. It's only a two-year difference. A lot of the investments coming in now are well beyond that time frame anyway. I'm not sure that two years of Eraring—we're more interested in that from reliability. There are a lot of parts to the system. It's just how does the puzzle fit together.

ANTHONY LEAN: The other point to make, which is the one that the Minister made this morning, is the decision on when Eraring closes is a matter for Origin. It's really up to them to make that decision. It's not something that the Government controls.

The Hon. JACQUI MUNRO: Of course. It's more a matter of how it affects the coming online of other energy projects and a sense of future security in New South Wales.

ANTHONY LEAN: But the point that I'm making is that it's a decision for them whether they decide to go from 2027 to 2029. The Government doesn't have a capacity to stop them from doing that.

The Hon. JACQUI MUNRO: Yes, I understand.

CORRECTED

KIM CURTAIN: Just to add, when we first did the agreement with Origin for Eraring, there was modelling done at that point to see if us helping Eraring stay open until 2027 would have an impact on investment. That's on our department's website, and that indicated there would be very limited impact from that. If you extend that on, it should be limited.

The Hon. JACQUI MUNRO: Is there is there a concern or is there a risk at the moment that the longer term projects that might go into the 10-year and longer time frames are not being adequately brought online or are not being prioritised by companies who are looking to set up in New South Wales?

ANTHONY LEAN: We're constantly monitoring the level of investment and what's happening in terms of generation coming online. That's part of the reason why the Government made the decision to set a target for long-duration storage out to 2034. We're constantly monitoring those things over about a 10-year period, and we would advise the Government of what might be needed.

The Hon. JACQUI MUNRO: Is the mix right at the moment, is what I'm getting to, in terms of projects that will be more beneficial in a shorter time frame to those longer duration projects.

ANTHONY LEAN: The reason we advise Government that you should think about setting a longer term target is because we were concerned that there wasn't enough certainty there for people to make those longer term decisions, particularly with long-duration storage, which is things like pumped hydro and so on and so forth. That's why we have the Energy Security Target Monitor to monitor that. After considering that, we make recommendations to the Minister about what steps should be taken, including, for example, asking ASL or the Consumer Trustee to run additional tenders to provide underwriting arrangements that give a greater degree of certainty to people that might want to enter the market. It's a difficult question to answer because we're constantly monitoring what's happening and then giving advice or recommendations as to what Government should do.

The Hon. JACQUI MUNRO: On that LTESA question and what's publicly available on the department's website, I was advised that there weren't any updates to information, despite there needing to be—as referenced before—quarterly updates. Are you familiar with that, that there hasn't been any public reporting on the status of the LTESA projects?

ANTHONY LEAN: I think the Minister provided a supplementary answer to that earlier today, just at the conclusion of the morning session. I haven't got anything to add to that at this point. We'll certainly take it on notice.

The Hon. JACQUI MUNRO: One of the concerns that we've heard from landholders is around decommissioning and landholder liability on sites that have solar panels or wind turbines. Are you doing any work with landholders to try to help people understand what that legal landscape looks like, or are you able to answer any questions around what liability landholders have?

ANTHONY LEAN: It's really an issue for the Department of Planning, Housing and Infrastructure to consider when they're approving these projects. My understanding is that they deal with that through the conditions that are put on the projects around decommissioning the site. In terms of liability issues that might accrue to the landowner, if it's a lease arrangement that they have in place a wind farm or solar farm or whatever, then that's really something that they need to seek legal advice on before they enter into that arrangement with the proposed generator.

The Hon. JACQUI MUNRO: Does EnergyCo have any responsibility to assist landowners through that process or provide information, even like you've just done here today, to ensure that there's a better level of understanding amongst communities?

ANTHONY LEAN: I might ask Ms McCaughey to comment on that, but I would generally say that EnergyCo's role is around delivering the transmission projects rather than dealing with individual landholders on generation issues. Did you want to add anything?

HANNAH McCAUGHEY: No, that's correct. It's a matter for the department of planning. We do engagement with, say, NSW Farmers, and we produced a handbook which was a guide for NSW Farmers. We support farmers, landholders and community members about how to navigate these projects, but the decommissioning issue is something that is considered by DPHI when they're approving these projects.

The Hon. JACQUI MUNRO: I'm just trying to understand where the responsibility lies to help farmers and landowners through this process of having potential sites or neighbouring sites that are—they might be active for decades, but they don't feel like they can make decisions because they don't have enough information up-front or are fearful that a decision that their neighbour has made is going to impact them. Where does the responsibility lie to assist them, given this is part of the energy transition? Where can they go and who should they be speaking to? Are you speaking to DPHI about these issues to better help landowners and farmers?

CORRECTED

HANNAH McCAUGHEY: We have a close working relationship with DPHI. EnergyCo goes over and above to provide this information, and I would recommend that you read the NSW Farmers handbook. It has actually been downloaded 3,000 times since it was published on the NSW Farmers website. It's really actively being used, and it does work—like you say, "This is how it works for renewable project; this is how it works for a transmission project. This is where you go."

The Hon. JACQUI MUNRO: Did you say that does include decommissioning and liability advice?

HANNAH McCAUGHEY: What it does do is that it gives very clear, plain English advice—I think the NSW Farmers did a very good job of writing it—on how a landholder should enter into arrangements and what they need to think about when they're dealing with renewable energy projects. It's a very simple step-by-step guide. It would guide them to engage with the department of planning on those issues.

ANTHONY LEAN: Can I add to that as well? The department of planning has put out a Renewable Energy Planning Framework, which is intended to provide a lot of guidance in this space. They actually have a specific set of guidelines that are designed to assist landholders that are entering into an agreement with a solar or wind or whatever project. I'd encourage you to have a look at their website.

The Hon. JACQUI MUNRO: Turning to industrial heat pumps, there has been a grant recently announced. I'm curious about how many businesses have applied so far for the grant and how much funding has been allocated.

KIM CURTAIN: I'm not sure if I've got the numbers of how many have applied at this point. I'll try to get it for you and come back.

The Hon. JACQUI MUNRO: Do you know how much funding has been allocated to the program?

KIM CURTAIN: Let me just check. I think the key is that heat pumps can come in through a number of different programs. I'm just checking. I haven't got one spot with just heat pumps. Can I come back to you on that one?

The Hon. JACQUI MUNRO: Absolutely. On the Nature Positive Farming program, which was announced at the end of September 2023, there was a decision that saw 38 roles going from various branches. Is that program active, or is that being deferred, or is it cancelled?

ANTHONY LEAN: That program is no longer funded within the budget.

The Hon. JACQUI MUNRO: So that has gone to a different budget? Is it still an active program and with a different department, or it just doesn't exist at all?

ANTHONY LEAN: It doesn't exist as a program any longer. I would say that, as was mentioned this morning, we are developing the nature strategy at the moment. Sitting under that will be a range of programs which will be developed over the next period. In that context, we'll think about what's needed in terms of delivering on the objective around putting nature on a path to recovery.

The Hon. JACQUI MUNRO: I believe that program was funded to \$206 million. Do you know where that money went to? Was it reabsorbed into the budget somewhere else, or was that allocated elsewhere, to your knowledge?

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

The Hon. JACQUI MUNRO: There have been rumours of a restructure at the EPA. Is there a restructure occurring at the EPA?

TONY CHAPPEL: I'm happy to take that. The Government has made a number of decisions, including an election commitment around senior executives being reduced by 15 per cent. There's a series of programs—some of them disaster-related, others particular programmatic funding streams—that operate over a fixed number of years. Put all of that together, and losing five senior executive band roles is quite a material number for the EPA. It does require us to start thinking about how we redesign our best possible organisation with the right spans of control to deliver our functions. We've started a piece of work thinking about that. There's certainly no finalised plan. Any process would involve, of course, meaningful consultation with our people and with the relevant unions, and ongoing discussion to try to mitigate and avoid, as much as possible, any impacts on individuals.

The Hon. MARK BANASIAK: Ms McCaughey, the Minister last September told Parliament she expected EnergyCo to deal with the Barrys sensitively, compassionately and expediently. She reconfirmed that this morning. Why has EnergyCo ignored the Minister's expectations in dealing with the Barrys?

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HANNAH McCAUGHEY: I did listen this morning. I wouldn't want to characterise that we have ignored the Minister's advice. There have been several things happening with the Barrys and there are ongoing legal negotiations in relation to the property. There was a very unfortunate incident, which you raised this morning, around a recruitment process, which we have apologised for, and which was a mistake and an error of judgement. We have apologised to the Barrys. But I think, in relation to the actual land acquisition, we have been—

The Hon. MARK BANASIAK: How would you characterise it? I have followed this from the beginning, and your engagement with the Barrys starts with you illegally trespassing on his property as your first point of contact. Then it goes to several examples where you've just misrepresented your intentions with the Barrys. Then it's withholding legal costs, which were agreed to by the former CEO, and there is also a legal obligation under the just terms Act. Now we find you are denying a reasonable offer of over \$11 million worth of biodiversity offset credits. He's offering them to you for close to \$300,000, which I think is a pretty good deal, and then you use his story as a PR recruitment tool. I acknowledge that you have apologised, but in your apology and in your response, you stated that you'll de-identify cases in the future. I would submit to you that you probably shouldn't be using these cases as a recruitment tool to begin with. It reeks of dishonesty.

HANNAH McCAUGHEY: First, just looking at the discussions around the land and the property, at the moment they are being discussed between the lawyers. It's at a sensitive point and I can't comment on the specifics of that negotiation.

The Hon. MARK BANASIAK: Those lawyers from the Barry side have waived legal privilege. I'm prepared to show you the documents, if you haven't seen them, which actually stipulate the arguments quite strongly from Richard Lancaster, SC, who is one of the State's most respected barristers on land and environmental law. He says the Barrys are quite rightly entitled to substantial biodiversity compensation. I will push. Why is EnergyCo ignoring the advice of one of the most respected barristers on land and environmental law?

HANNAH McCAUGHEY: I will have to repeat that—I'm sure he's a very respectable lawyer, but we have respectable lawyers on our side too, and that's under negotiation. Any comment by me right now would jeopardise that legal discussion. That is ongoing. That matter needs to continue. I respect the privacy of the landholder in that matter.

The Hon. MARK BANASIAK: You didn't respect the privacy when you used his details as a PR recruitment tool.

HANNAH McCAUGHEY: That is something that we are very sorry for and we are changing our processes.

The Hon. MARK BANASIAK: Who made that decision within EnergyCo?

HANNAH McCAUGHEY: That was happening at a lower level. I was not aware of it until yesterday, but now I am aware of it.

The Hon. MARK BANASIAK: Has that staff member been counselled about the appropriateness?

The Hon. WES FANG: Or even sacked?

HANNAH McCAUGHEY: As I said, we just learnt of this yesterday and we think it was an error of judgement.

The Hon. MARK BANASIAK: To identify him or to use his story in totality?

HANNAH McCAUGHEY: I think we realise that, because we are dealing with sensitive matters, to use those matters in a recruitment process is not the right process and not the one we want to use going forward. We deeply regret that it happened, and it won't happen again. That's the place that we are now.

The Hon. MARK BANASIAK: Will you speak to the person involved and counsel them on the inappropriateness of using language like, "If you want a job here, you will need to put aside your feelings of the bleeding hearts." That has been reported as what was said to some of the potential PR recruits.

HANNAH McCAUGHEY: As I said, we did learn of this yesterday and we are doing an investigation. We are aware that it wasn't an appropriate process to use. We have to consider all the factors that went into it, but we would not be using case studies like that going forward, clearly.

The Hon. MARK BANASIAK: How many PR/communication people does EnergyCo have to deal with the renewable energy rollout across the State?

HANNAH McCAUGHEY: We set out our employment numbers in our annual report. Those are the employee numbers that we report in our annual report.

CORRECTED

The Hon. MARK BANASIAK: Perhaps on notice, when you do this investigation, are you able to come back to the Committee with the number of how many of these communications staff were put through the Barry test as part of their recruitment?

HANNAH McCAUGHEY: We'll take that on notice.

The Hon. MARK BANASIAK: Are you comfortable, Ms McCaughey, leading an agency that uses these sorts of tactics, particularly coercive tactics like telling a man with motor neurone disease, "Take it or leave it", in terms of offers being made to him?

HANNAH McCAUGHEY: Overall, EnergyCo has a very big job in building five renewable energy zones and two priority transmission projects, and we do a lot of very thorough work with landholders and members of the community. We do seek, in all instances that we can, to deal with landholders in the most sensitive and empathetic way. We haven't always got it right, but we do adopt fully a culture of continuous improvement. We seek to learn, and we continually retrain all our property officers to make sure that they are adopting our cultural DNA statement, which is based on respect, empathy and always being genuine. It is a large operation.

The Hon. MARK BANASIAK: How many of those property officers are actually in house now versus outsourced contractors? My understanding is that initially it was mainly outsourced contractors.

HANNAH McCAUGHEY: EnergyCo is only four years old, and we've been moving rapidly. Our organisational structure was approved last year, in 2024—last year, in August 2024, a staff of 160, and by the end of this year we'll be fully staffed with 170 people. We're in a process of recruiting and employing more in-house staff. We do training with all of our property officer managers, and it's an ongoing process. We seek to harmonise that process across all our projects. It's something that we care deeply about and we are working hard on, with that spirit of improvement. We've improved all of our opening letters. We have tailored one-to-one—

The Hon. MARK BANASIAK: Have you taught them how to read a map so they don't just wander onto a property without permission?

HANNAH McCAUGHEY: Yes, we actually have now introduced a GIS system, so we would hope to, in the future, avoid any instance of unintentional trespass. That's a way that we are learning with our—

The Hon. MARK BANASIAK: It would be fair to say that should probably have been one of your first things to put in place—a proper GIS system so that when your officers were engaging with properties they actually knew what they were engaging with the property owners on and what they were looking at. That should be 101.

HANNAH McCAUGHEY: I've been permanent CEO for the past few months, and it has been one of the first things I've done. I think it's really important. I'm really proud of the fact that we've now put it in place, and we're very wary of using that GIS and making sure we give people advice.

The Hon. MARK BANASIAK: It raises questions, though, in terms of what was happening in the three years before you came on board and, obviously, made that step.

HANNAH McCAUGHEY: Yes. We had—I'm sure you were chairing the REZ inquiry—an unfortunate instance of trespass, and we did really look at our processes and we improved. We did go to the police, and the police confirmed that it wasn't a case. But we have now introduced that GIS system. We are now very careful when we go to these properties, and we really do strive in every instance to respect people's property. We do think this is a significant operation.

The Hon. MARK BANASIAK: In the few seconds I have left, Mr Lean, are you able to table any documents that the Minister used to justify the written direction to create the koala hubs? I have sought these documents through GIPAA and have not been able to obtain any documents that relate to supporting evidence for the creation of the koala hubs. Could you see whether any of them exist and provide them on notice?

ANTHONY LEAN: I'll have to take that on notice. My understanding is the hubs would have been created largely through a direction from the Minister for Agriculture.

The Hon. MARK BANASIAK: The Minister for Agriculture has no written direction when I've requested it from her.

The CHAIR: Mr Chappel, can I ask you about the Tallaganda prosecution the EPA has commenced against the Forestry Corporation? I note the release that was provided yesterday refers to 29 charges in seven compartments of Tallaganda State Forest with alleged breaches of the Coastal Integrated Forestry Operations Approval, the Forestry Act and the Biodiversity Conservation Act. Could you provide as much information as you possibly can—I accept that they're legal proceedings but, really, just a factual basis—on what the EPA has commenced?

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TONY CHAPPEL: I'll be quite circumspect and cautious in my words, Chair, because this is now before the courts. I can certainly confirm that on Wednesday 27 August 2025 the Environment Protection Authority commenced legal proceedings against Forestry Corporation of NSW in respect of alleged breaches of the Forestry Act and the Biodiversity Conservation Act. Some 29 offences have been charged against the corporation, and they're listed before the Land and Environment Court on 10 October 2025 for directions. The offences relate to alleged failures in relation to the conduct of broad area habitat searches for den trees of the southern greater glider; alleged failures to identify and permanently replace hollow-bearing trees, giant trees and dead standing trees; and allegedly conducting forestry operations that damaged the known habitat of a threatened species, namely the southern greater glider. I can provide more detail on all of the charges, if you like, or it might be more efficient to provide that through written answers.

The CHAIR: Yes. Have you got something that you could provide?

TONY CHAPPEL: I can read—obviously, 29 charges. In respect of the first charge, or what I will call offence 1, "The EPA alleges that between 25 January 2022 and 12 July 2023, in compartment 2447A of Tallaganda State Forest, Forestry Corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours, when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, Forestry Corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols." I've got 28 more of those I can—

The CHAIR: There are 28 more of those.

TONY CHAPPEL: They're all different, obviously, and in respect of different provisions, but would you like me to read those out?

The CHAIR: If you wouldn't mind. I realise it's a time-consuming thing, but it means that it is on the record for us.

TONY CHAPPEL: "Offence 2: The EPA alleges that between 25 January 2022 and 12 July 2023, in compartment 2447A of Tallaganda State Forest, Forestry Corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours, when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations, namely broad area habitat searches.

Offence 3: Between 31 January 2022 and 11 January 2023, in compartment 2448A of Tallaganda State Forest, Forestry Corporation committed an offence against section 69 SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours, when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols.

Offence 4: The EPA alleges that between 31 January 2022 and 11 January 2023, in compartment 2448A of Tallaganda State Forest, the corporation committed an offence against section 69 SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours, when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations."

The CHAIR: Mr Chappel, I'm feeling really guilty. There's a lot to read out there, and I am just realising that it's quite a lot to read out. Is that document something you would be able to table?

TONY CHAPPEL: I can certainly provide a version of this document, I think. I'm very conscious that, in any appearance before a committee, an official needs to be mindful not to comment on the proceedings.

The CHAIR: On that basis, if you wouldn't mind carrying on. It's one of those things, I think it would just—I know that it is a heightened public interest matter. There are people that would really like to understand. Let's carry on.

TONY CHAPPEL: "Offence 5: The EPA alleges that between 27 October 2021 and 11 April 2023 in compartment 2449A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, Forestry Corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols.

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Offence 6: The EPA alleges that between 27 October 2021 and 11 April 2023 in compartment 2449A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations, namely broad area habitat searches.

Offence 7: That between 27 October 2021 and 11 April 2023 in compartment 2450A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols.

Offence 8: That between 27 October 2021 and 23 May 2023 in compartment 2450A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations, namely broad area habitat searches.

Offence 9: The EPA alleges that between 30 July 2021 and 11 April 2023 in compartment 2451A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols.

Offence 10: The EPA alleges that between 30 July 2021 and 11 April 2023 in compartment 2451A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations, namely broad area habitat searches.

Offence 11: The EPA alleges that between 28 November 2022 and 23 August 2023 in compartment 2208A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols.

Offence 12: Between 28 November 2022 and 23 August 2023, EPA alleges, in compartment 2208A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations, namely broad area habitat searches." Shall I pause there?

The CHAIR: The rules say you can finish answering your question, if you can carry on.

TONY CHAPPEL: Certainly. "Offence 13: Between 28 November 2022 and 8 August 2023, EPA alleges, in compartment 2209A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad-area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to look for, identify and record glider den trees as required under the CIFOA and protocols.

Offence 14: EPA alleges that between 28 November 2022 and 23 August 2023 in compartment 2209A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened by carrying out broad area habitat searches during daylight hours when the southern greater glider is a nocturnal marsupial and, by carrying out daylight searches, the corporation failed to competently plan, implement and conduct forestry operations, namely broad area habitat searches.

Offence 15: EPA alleges that between 4 April 2022 and 31 August 2023 in compartment 2448A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in

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that a requirement imposed by the CIFOA was contravened in that during the course of harvesting operations, three trees were damaged or felled and only one comparable tree was replaced.

Offence 16: That between 4 April 2022 and 31 August 2023, in compartment 2448A of Tallaganda State Forest, EPA alleges the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened in that 11 trees were felled or damaged and only two comparable trees were replaced, and as such the corporation failed to competently implement and conduct forestry operations in breach of the CIFOA.

Offence 17: That between 25 January 2022 and 31 August 2023, EPA alleges, in compartment 2449A Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened in that during the course of harvesting operations, three trees were damaged or felled and only one comparable tree was replaced.

Offence 18: That between 25 January 2022 and 31 August 2023, EPA alleges in compartment 2449A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened in that three trees were felled or damaged and only one comparable tree was replaced, and as such the corporation failed to competently implement and conduct forestry operations in breach of the CIFOA.

Offence 19: That between 17 January 2022 and 31 August 2023 in compartment 2450A of Tallaganda State Forest, EPA alleges the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened in that during the course of harvesting operations, 40 trees were damaged or felled and 26 comparable trees were replaced.

Offence 20: That between 17 January 2022 and 31 August 2023 in compartment 2450A of Tallaganda State Forest, EPA alleges the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened in that 40 trees were felled or damaged and only 16 comparable trees were replaced, and as such the corporation failed to competently implement and conduct forestry operations in breach of the CIFOA.

Offence 21: That between 20 December 2022 and 31 August 2023 in compartment 2209A of Tallaganda State Forest, the EPA alleges the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened, in that during the course of harvesting operations, 41 trees were damaged or felled and only 16 comparable trees were replaced.

Offence 22: That between 20 December 2022 and 31 August 2023, EPA alleges, in compartment 2209A of Tallaganda State Forest, the corporation committed an offence against section 69SA (1) (b) of the Forestry Act in that a requirement imposed by the CIFOA was contravened, in that 41 trees were felled or damaged and only 16 comparable trees were replaced, and as such the corporation failed to competently implement and conduct forestry operations in breach of the CIFOA.

Offence 23: That between 25 November 2022 and 31 August 2023, in compartment 2447A of Tallaganda State Forest, the corporation committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment 2447A was the habitat of that species.

Offence 24: That between 25 November 2022 and 31 August 2023, in compartment 2448A of Tallaganda State Forest, EPA alleges the corporation committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment 2448A was the habitat of that species.

Offence 25: That between 25 November 2022 and 31 August 2023, in compartment 2449A of Tallaganda State Forest, the corporation committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment 2449A was the habitat of the species.

Offence 26: EPA alleges that between 25 November 2022 and 31 August 2023, in compartment 2450A of Tallaganda State Forest, the corporation committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment 2450A was the habitat of that species.

Offence 27: That between 25 November 2022 and 31 August 2023, in compartment 2451A of Tallaganda State Forest, the corporation is alleged to have committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment was the habitat of that species.

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Offence 28: Between 6 January 2023 and 31 August 2023, in compartment 2208A of Tallaganda State Forest, the corporation committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment 2208A was the habitat of that species.

Offence 29: EPA alleges that between 6 January 2023 and 31 August 2023, in compartment 2209A of Tallaganda State Forest, the corporation committed an offence against section 2.4 (1) of the Biodiversity Conservation Act in that the corporation damaged the habitat of a threatened species, namely, the southern greater glider, knowing that compartment 2290A was the habitat of that species."

The CHAIR: Thank you, Mr. Chappel. I'm so sorry, I owe you a big cup of tea. I'm very grateful that that is now on the public record. Over to the Opposition. I think I owe you some time, but we'll work it out.

The Hon. WES FANG: We'll get there in the end. Transgrid disclosed in its system strength PADR that in early 2023, EnergyCo informed them that they planned to self-remediate the system strength for stage one of the Central-West Orana REZ as part of its build, which will be implemented by ACERERZ. It later followed up with a formal letter on 24 October 2023 to Transgrid. On what date in early 2023 did EnergyCo first inform Transgrid that ACERERZ would centrally procure system strength for Central-West Orana stage one?

HANNAH McCAUGHEY: Thank you, Wes, for your comment. I am grateful for your attention on syn cons. Is the question you're asking what is the date that ACERERZ—

The Hon. WES FANG: What date did EnergyCo first inform Transgrid that ACERERZ would be the body that would centrally procure the system strength for Central-West Orana stage one?

HANNAH McCAUGHEY: I would have to take that on notice.

The Hon. WES FANG: Can EnergyCo provide the full text of the 24 October 2023 letter to Transgrid?

HANNAH McCAUGHEY: I'll have to take that on notice.

The Hon. WES FANG: What consultation, if any, did EnergyCo undertake with AEMO, the AER and the consumer representatives before informing Transgrid of its plans to procure system strength via ACERERZ?

HANNAH McCAUGHEY: EnergyCo engages in constant consultation and engagement with the other market bodies about system strength. It's a vital issue for the consumers of New South Wales. I think the outcome in CWO of procuring seven syn cons is a very good one and an example of why the renewable energy zone works. I think, overall, there would be lots of engagement going on with the AEMO and AER about that, and I think there is a widespread view it was a good outcome for the system.

The Hon. WES FANG: We established this morning with the Minister that, in effect, the bill that went through in the last week of Parliament permitted the Minister to make a direction to a network operator. Did EnergyCo seek legal advice on whether reallocating the system strength obligations from Transgrid to ACERERZ was consistent with the NER and the AEMC's 2021 rule change?

HANNAH McCAUGHEY: I'd have to take that on notice.

The Hon. WES FANG: Section 31 of the EII Act prohibits the disclosure of the maximum capital cost. It does not prohibit, however, the publication of ACERERZ's actual rate of return or the assumptions on its financial models. Why, then, has EnergyCo withheld the rate of return that has been paid to ACERERZ from the New South Wales consumers that are underwriting these payments?

HANNAH McCAUGHEY: The way that the process works in relation to CWO REZ is that EnergyCo works with ACERERZ as the network operator. The network operator submits its revenue determination to the AER, and the AER ultimately determines what is reasonably prudent and efficient for the consumer. That ultimately determines the rate of return for ACERERZ.

The Hon. WES FANG: But in terms of the contract that EnergyCo has with ACERERZ, there must be, as part of that, a return on investment agreement.

HANNAH McCAUGHEY: Maybe I can just go through it again. EnergyCo works with ACERERZ as an infrastructure planner and a coordinator and a designer of the REZ. Then ACERERZ makes a submission to the AER, and then the AER makes a determination. The payments for that come from consumers. That's the model; that's the way it works.

The Hon. WES FANG: Let's break that down a little bit. ACERERZ is responsible for the construction of the transmission and the Central-West Orana REZ. At this stage, there's no agreement about what return they will receive on the capital investment that they are required to make?

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HANNAH McCAUGHEY: But the return is not determined by EnergyCo. That's what I'm trying to help you understand. It's determined between ACERERZ and the AER in their application.

The Hon. WES FANG: I understand that might be the case where you've been through the RIT-T process, for example, and you've submitted and been approved for a level of return. But, at this stage, ACERERZ has committed to building this. Is it the case that it's basically open-ended?

HANNAH McCAUGHEY: No.

The Hon. WES FANG: They tendered for this with EnergyCo, didn't they?

HANNAH McCAUGHEY: Yes. Let me let me walk you through it. With EnergyCo, we work under the EII Act, which is different from the RIT-T, which is under the National Electricity Rules.

The Hon. WES FANG: Yes, there are two paths.

HANNAH McCAUGHEY: Yes, there are two paths. Energy sector—lots of different paths. We're under the EII Act. What we do is we go out and procure the network competitor on a competitive basis, to make sure we get the best value for consumers and make sure that there's a competitive process in pulling together the tender package. Then what we do is we work through a cost and risk PPP, which then incentivises ACERERZ. But, ultimately, the money that is awarded for the building of that comes from the AER, comes from the consumers. It doesn't come from EnergyCo, so we don't determine their ultimate rate of return. What we determine is what are the terms and conditions under which it's built.

The Hon. WES FANG: That then creates a world of hurt, doesn't it, Ms McCaughey? During the EII Act second reading speech, the Minister indicated that there were savings to the consumer and there were tangible benefits—that there would be hundreds of dollars saved through the rollout of renewables et cetera. But by not going through the RIT-T process and not having an understanding of what consumers will pay in relation to these projects prior to their being brought online and the application being made to the regulator for those costs to be recovered—for example, in circumstances where the Minister makes a direction that they have to purchase seven synchronous condensers to help to stabilise the grid—there's no guarantee that that might then be recoverable by ACERERZ. They've got no guarantee that the regulator will approve their figures afterwards and the consumer has got no idea what they're going to pay at the end of it.

HANNAH McCAUGHEY: Let me go back. ACERERZ has put in a final determination to the AER and that's now become a regulated asset. Included within that is seven syn cons. I will pass to my department colleagues, but the seven syn cons that are being discussed—the ACERERZ deal, in other words, has been done. It's all locked; it's now part of the AER determination. It's a public document. What the EII Act is for is potentially for future things and that would be subject to its own AER process.

ANTHONY LEAN: Yes. I think I said this morning there is no intention to direct ACERERZ in relation to the procurement of the seven synchronous condensers. That is because it is already part of the contractual arrangement or the PPP that has been agreed with EnergyCo and which the AER has made its price determinations on as well.

The Hon. WES FANG: Where can the public find those price determinations?

HANNAH McCAUGHEY: Most recently, the AER published its final determination of CWOREZ in the last month.

ANTHONY LEAN: It's on their website.

The Hon. WES FANG: Is that the document that has a whole column of zeros where it has the return on capital?

HANNAH McCAUGHEY: The AER final determination basically makes sure that it's set out in what's called the NER equivalent, which is the National Electricity Rules equivalent, and so that's where it sets out the overall capital cost.

The Hon. WES FANG: It's only a summary document, to my understanding, but the other concerning bit about that is that it actually doesn't indicate what the return on capital is. Those columns are all zero. The first document, I believe, was in December. It was all redacted. The second document that has come through is all zeros. The public has no idea what rate of return ACERERZ is gaining on this project. The whole document has been withheld. The other issue is that the determination only talks about the first five—I think it's 15 gigawatts that needs to be balanced. There's only five actually accounted for under this determination. What's going to happen with the other 10? It actually says that this will be done at a later point. How is the public going to find out what the Central-West Orana is costing them and their energy bills?

CORRECTED

HANNAH McCAUGHEY: The AER final determination sets out the capital cost, which is the NER equivalent, so that's what it sets out for the next period. That's what it does and that's consistent. The reason that NER equivalent has been established is so people can compare it with other similar Transgrid styles—

The Hon. WES FANG: But you can't compare it. It says zero.

HANNAH McCAUGHEY: I think the capital—that would be quite similar with other processes. I think it's—

The Hon. WES FANG: No, it's not. The other reports indicate they have return on capital.

KIM CURTAIN: Just to clarify, the Central-West Orana project is under the EII Act, so it's not a RIT-T project, which is different.

The Hon. WES FANG: I agree, yes.

KIM CURTAIN: Under those projects they actually compete on a competitive basis for a service payment. Rather than bidding for a percentage of return, they're actually bidding for a service payment, and that's what's released by the AER in their determination.

The Hon. WES FANG: What is the service payment they're receiving?

KIM CURTAIN: I don't have it with me, but it's in the determination. It has the dollar figures.

The Hon. WES FANG: Does it publish the dollar figures?

KIM CURTAIN: Yes.

The Hon. WES FANG: Are you sure, or has it been redacted or is it zero, because the December document that was published was redacted. The actual public document was redacted.

HANNAH McCAUGHEY: There was an interim one in December.

The Hon. WES FANG: Yes, which was redacted.

HANNAH McCAUGHEY: And there was another one—

The Hon. WES FANG: The one that was published this month has a whole column of zeros.

ANTHONY LEAN: We might need to take it on notice because we don't have what you're—

The Hon. WES FANG: You're the CEO of EnergyCo. You are rolling out this project. People want to know what they're paying for it, and you don't even know what's in the documents that are specifically about this project.

ANTHONY LEAN: Mr Fang, we can't see what you're looking at.

The Hon. WES FANG: I'm looking at some questions; I'm not looking at any document. This is stuff I read in the last three days.

ANTHONY LEAN: Can we please take it on notice and we'll go away and confirm?

The Hon. WES FANG: Okay. Ms McCaughey, did you run the tender for this program?

HANNAH McCAUGHEY: No, I was not at EnergyCo when the tender was run.

The Hon. WES FANG: But EnergyCo did run the tender. Is that correct?

HANNAH McCAUGHEY: Yes, that's correct.

The Hon. WES FANG: Maybe somebody can provide you some answers before we finish the hearing today. I want to move now to another issue, if I can. I think we've already covered off some of the issues around the greater glider habitat that we now know from the lengthy read sheet—and thank you, Mr Chappel, for providing extensive detail to us. There are obviously those charges that you've provided to Forestry Corp right on the death knell of it being about to fall off.

TONY CHAPPEL: We have actually been consulting with the corporation for the last few months. There's a requirement under the Premier's memorandum before a government entity is subject to a prosecution that the regulator and the entity consult. We've been doing that in detail. We've had a lot of detailed engagement on legal views and the form of those charges has been refined quite substantially through that process.

The Hon. WES FANG: Is it the case that the EPA is going to prosecute all or any greater glider habitat destruction, or is it selective in the habitats that it will prosecute?

CORRECTED

TONY CHAPPEL: No, one way to think about the way forestry—native Crown forestry—is regulated in New South Wales is there's essentially a document which is a licence to harm the environment, to extract certain wood volumes—

The Hon. WES FANG: You say, "harm the environment". That's a very pointed term, isn't it?

The CHAIR: No, that's the law.

Ms CATE FAEHRMANN: Factual.

TONY CHAPPEL: I think it's the way to legally describe any impact to species that obviously can—

The Hon. WES FANG: "Sustainably harvest" might be another way.

TONY CHAPPEL: The sustainability comes in the form of the rule set. Some level of harm is accepted, prima facie, and then the rule set seeks, because it's inevitable—and, yes, I agree with you, it's a renewable resource. But it needs to be extracted in a way that complies with those rules. A defence to some of these provisions is conducting an operation in accordance with the relevant IFOA. The EPA allegation sort of goes to that.

The Hon. WES FANG: In circumstances where the Minister indicated today that Snowy Hydro has clear-felled large parts of the national park in order to put transmission lines through for the Snowy 2.0 project and the HumeLink project, I assume, where they've crossed greater glider habitat, which I believe is a large part of where they've clear-felled in Kosciuszko National Park, is the EPA also going to prosecute that clear-felling of greater glider habitat?

TONY CHAPPEL: The EPA regulates Crown forestry on State forests. We don't have that role in the situation you're describing.

The Hon. WES FANG: Who would prosecute?

TONY CHAPPEL: It would be authorised through a different regime.

ANTHONY LEAN: If there was a clearing event in a national park, that would be an issue that would be dealt with by the National Parks and Wildlife Service. But to answer where you're going with this—

The Hon. WES FANG: How do you know where I'm going with this, Mr Lean? You're pre-empting.

ANTHONY LEAN: Can I just answer the question?

The Hon. CAMERON MURPHY: Point of order: I am reluctant to intervene, but for some time now Mr Fang has been interrupting the witnesses with a degree of squalor and malevolence when they are trying to answer. He has an obligation under the procedural fairness resolution to treat the witnesses with respect and he should do so.

The CHAIR: I uphold the point of order. Carry on, Mr Fang, in accordance with the rules and the point and the orders.

The Hon. WES FANG: Thank you, Chair. I will. Mr Lean, you said you were anticipating where I was going. How do you know where I'm going?

ANTHONY LEAN: I don't know where you're going. I think that would be very brave.

The Hon. WES FANG: Exactly. That's my point.

The CHAIR: Mr Fang, can we just let Mr Lean answer the question?

The Hon. WES FANG: Sure.

ANTHONY LEAN: Snowy 2.0 operates under a planning approval. They need to act in accordance with that. Generally, compliance with the conditions of a planning approval is a matter for the planning department. In circumstances where there is an event on a national park, it might get a little bit more complicated, but generally compliance would be an issue for DPHI.

The Hon. WES FANG: Not to sound flippant—it's a genuine concern, I think, in the industry. Is it the case that National Parks is prepared to turn a blind eye where habitat is destroyed in Kosciuszko National Park because it suits them, yet they'll continue to prosecute Forestry Corp for alleged breaches and leave it literally until right at the end? Is that a fair assumption?

ANTHONY LEAN: No, because it's the EPA that's prosecuting Forestry Corp. I don't know what you're referring to by National Parks turning a blind eye. There is a planning approval in place which authorises the

CORRECTED

clearing. If that's being done unlawfully, then I would strongly encourage anyone who's got information around that to refer it either to our department or to the Department of Planning, Housing and Infrastructure.

The Hon. WES FANG: Mr Chappel, the charges that you've laid against Forestry Corp, were they under new rules or are they under the old Coastal IFOA?

TONY CHAPPEL: The Coastal IFOA was updated some years ago and it's under that IFOA.

The Hon. WES FANG: So it's under the updated rules that you're prosecuting. Is that retrospective?

TONY CHAPPEL: No, it's under the IFOA as it was operating at the time of the alleged offences.

The Hon. WES FANG: Was that before or after the update?

The CHAIR: Before.

The Hon. WES FANG: Before the update.

TONY CHAPPEL: I'm sorry, I'm just a bit confused by your question because—

The Hon. WES FANG: My understanding is that the charges that you've brought are relating to the new Coastal IFOA rules, as opposed to what was in place at the time of the alleged offences.

TONY CHAPPEL: Sorry, Mr Fang, when you say new IFOA, I mean the current IFOA which has been in place for, I think, seven or eight years, and—

The Hon. WES FANG: There was a rule change, though, wasn't there?

TONY CHAPPEL: It's designed to be an adaptive document, so there have been a number of changes from 2017 or 2018 when it was introduced. None of these charges are in any way retrospective, but I really can't make further comments about those charges because they're before the court.

Ms CATE FAEHRMANN: Mr Chappel, when did you start at the EPA? Was it August 2022 or July 2022?

TONY CHAPPEL: I think August 2022.

Ms CATE FAEHRMANN: The report that I was talking about before—I think you've still got those documents in front of you, the Mark Taylor-led report—when do you recall you were first informed about that?

TONY CHAPPEL: I can't recall specifically, but it would have been around the time the emails reference the EPA discussing the release of the report with the Minister.

Ms CATE FAEHRMANN: There's a trail of emails, in fact, from the GIPAA. I've given you some of them. There was an email, though, from 25 October 2022 between the EPA director of education and programs on a meeting with the mining companies, and it does mention that the EPA CEO met Kerry Chant and senior Health officials to discuss Broken Hill issues and the intention to publish the two reports. That would have been at that time.

TONY CHAPPEL: I suspect that's accurate, but I don't have that email.

Ms CATE FAEHRMANN: I wouldn't have expected you to get exact dates. I'm just letting you know that that's what's here. The lead report was ultimately published on 1 November 2023. That was one year and two months or so after—or a month, I should say—after you were first made aware of it. What was the reason for the delay after you started recognising that, in fact, the EPA had been toing and froing about publishing this report for three years before you got there?

TONY CHAPPEL: I'm not sure there was any substantive delay from when I became aware of it, but I think there's a few important points here. I've only looked through the emails that were tabled earlier but they make it clear that Mr Taylor is keen to see the report released, but also that the substantive content of the report is already on the public record at that time through his other publications, and that the Community Consultative Committee had seen the report already. It had been shared with them. Then as to the issue of the EPA's advice into the planning system, I know that the release of the report came after the particular matters you were raising, Ms Faehrmann, but I can confirm that the substantive matters raised in the EPA's submissions to the department of planning concerning the Bowdens project respond to the potential for dust-related impacts and the need for comprehensive air quality monitoring and a detailed air quality management plan, which is, in a sense, the core of what I understood the concern was from the earlier session this morning that, somehow, those potential impacts weren't shared or were somehow—I think you used the word "suppressed".

CORRECTED

Ms CATE FAEHRMANN: This email is in the documents that I will show you. There's a lot of emails that I haven't included in this, which was emails from 2020–2021 about "Why haven't you published the report?" "Should we publish the report?" Then it starts to suggest that the mines were given a copy of the report at least mid-2022, potentially earlier. There's one email here—it's opposite the page document 67 on your documents.

TONY CHAPPEL: Sorry, I think mine only starts at page 68.

Ms CATE FAEHRMANN: Sorry, the document numbers. I don't have a legal team behind me to nicely tab them and everything, I'm afraid. This email dated 20 March, it's to you. That says in here—it's from the executive director of engagement, education and programs at the EPA. Part of this email regarding the report states:

The team are keen to publish the report on the LeadSmart website (with no fanfare or media release etc) but DPC has asked that we hold it until they have a better idea of what they are planning to do in Broken Hill ... I understand that the mining companies are also particularly sensitive about the report and would prefer that we didn't publish it (or an air quality report that we also want to publish). They have been provided advance (confidential) copies of both reports last October with an offer to present on them, and they have pretty much refused to engage, other than to say that they would prefer they weren't published.

That was to you. What did you do in response to that email?

TONY CHAPPEL: I think I progressed the process to publish the report. Let me be clear, though: It's not unusual for an impacted party to have an ability to be aware of a document or a report that goes directly to their operation before it's released. They often express views about what they would like in terms of publication, but as you can see in this instance—and as the EPA does consistently—we work to protect the community and public confidence.

Ms CATE FAEHRMANN: Mr Chappel, this is at the same time as funding for the Broken Hill Environmental Lead Program was in doubt. The research identified:

That both legacy and current lead emissions must be addressed if children's blood lead is to be reduced in Broken Hill.

Then some of the issues around it—and it does say:

Children across the whole of Broken Hill are at risk from elevated blood lead concentrations.

One of the issues here was "Timing re Cadia and parliamentary inquiry". Another one was "Timing re DPC whole of government work"; "Reaction from the mines". This is some of the issues. The next email here says, in terms of releasing on 2 August 2023—let's remember it wasn't actually published ultimately until 1 November 2023, after the IPC had approved the Bowdens lead mine two kilometres from Lue Primary School. This one says:

When we say "release" we mean quietly load it onto the LeadSmart website and not tell anyone.

TONY CHAPPEL: I don't have those emails.

Ms CATE FAEHRMANN: Yes, you do.

TONY CHAPPEL: I don't.

Ms CATE FAEHRMANN: I've given them to you.

TONY CHAPPEL: What page is that one?

Ms CATE FAEHRMANN: I've just read it out. It's the document behind 67.

The CHAIR: It's the fourth page from the last in the bundle.

Ms CATE FAEHRMANN: Thank you, Chair. That's very helpful. That's what it says. This is the way the EPA treated that report.

TONY CHAPPEL: It's very hard for me to comment on this.

Ms CATE FAEHRMANN: Why don't they want the truth about what lead mining is doing to communities? This is what it looks like: the EPA, for four years—including at least a year after you started—was deliberately trying to suppress the information in this report, which shows how dangerous current lead mining is to children's health.

TONY CHAPPEL: I just can't accept any of that characterisation of the EPA's staff and their work is accurate. I'm not actually on the—

Ms CATE FAEHRMANN: How do you explain "When we say release"? This report has the most shocking data in it, but particularly in terms of strategies—the Government's environmental lead program commissioned Professor Mark Taylor to do this work and, in his report, the strategies were around reducing emissions from current lead operations or actually relocating the community and reducing the dust in the air in

CORRECTED

terms of air monitoring. Instead of putting that out and acting on it and being truthful, the industry was protected. Tell me that that doesn't say that the EPA acted to protect the industry over people's health.

TONY CHAPPEL: No, I can't accept that characterisation. The EPA has been running this program since bringing it to the attention of government over a decade ago, and the program has achieved meaningful results. I don't know the detail of the way this report was commissioned or the work with the industry, but it's not unusual, as in any other process, that impacted stakeholders are given an opportunity and procedural fairness to make a comment on a document or a report. I think that language is clearly unfortunate and inappropriate in the implication you're inferring from it. I suspect this is one of our staff who doesn't work in—

Ms CATE FAEHRMANN: Mr Chappel, I'm prepared to give you quite a few emails that show that it's not just an isolated incident, because the emails document bringing the industry in. It's all about the mines and how they're going to react, not doing proactive media and keeping the mines happy—email after email after email. And, when this goes out, it's buried as opposed to taking it seriously and putting in place the strategies that are suggested. Let me be clear: This is about lead in children's blood.

TONY CHAPPEL: I know, and the EPA takes that extremely seriously. In fact, one of the first things I did as the CEO was to write to the then Premier's Department requesting whole-of-government action on consideration of the most effective interventions to shift—the Broken Hill lead program has delivered some improvement, but there is clearly still unacceptable impact, particularly for children in that community, and a large proportion of that population is obviously Aboriginal. So that is utterly unacceptable in many respects. I'm happy to take on notice the broader implication you're raising about those other emails, but I just haven't had the benefit to review those. I'm happy to discuss them further as well.

The CHAIR: Perhaps an apology. Mr Ruddick?

The Hon. JOHN RUDDICK: My question is for Mr Lean, the secretary of the climate change department. Mr Lean, your department's net zero modelling forecast for coalmining in New South Wales was for around 16.89 million tonnes in the year 2023-24. Yet the actual data from the Commonwealth indicates that—yours was modelling—the actual number was about 13.7 million tonnes for the same period of time. So your modelling overestimated the carbon emissions from the coal industry by 20 per cent. What confidence can we have in the quality of your modelling?

ANTHONY LEAN: There are some differences between the way the Commonwealth does its modelling and the way New South Wales does its modelling, particularly around the different categories that they use. I'd need to take that specific example on notice and get some advice. If you leave that with me, I'll see if we can get something before the end of today's session.

The Hon. JOHN RUDDICK: My hunch, Mr Secretary, is that your department has an inclination to want to overstate these things.

ANTHONY LEAN: I completely disagree with that. Can I also make this comment: The methodology that we use to do our modelling is also published, so we're quite transparent about what we do and how we do it.

The Hon. JOHN RUDDICK: Well, that is modelling and the Commonwealth is relying on data. I would think that data trumps modelling. When we were here six months ago, I pointed out to you that the new administration in Washington had completely defunded all of the so-called global warming initiatives. Of course, if the private sector wants to fund them, that's fine, but the taxpayers wouldn't be. You said six months ago that that would be good for New South Wales because we could now attract more private sector investment because they'd want to come to New South Wales to get all their generous government assistance. You said that we would be attracting more investment in this amazing renewable rollout. Has that happened?

ANTHONY LEAN: I think at the time that I answered that question I was a bit unsure about what the implications of that might be. In some ways, I was speculating about what could theoretically happen. All I can talk about is what's happening in New South Wales. We are seeing a very strong pipeline of investment in renewable projects. You may be aware that the recent AEMO ESOO report showed that we'd previously had a reliability gap in 2027-28, but there are a number of projects that are going to be delivered which will help close the gap. That suggests that there is a degree of confidence around what is happening with renewable energy.

The Hon. JOHN RUDDICK: This whole renewable rollout, which is costing us endless billions of dollars—we had inflation out yesterday. It was high inflation. The highest contributor to that was energy, because we've ripped down the old, reliable coal-powered energy. Am I correct in thinking that this renewable rollout, which we're all gung-ho about, is designed to change the weather? Is that correct?

ANTHONY LEAN: I'm not quite sure how to answer that, Mr Ruddick.

CORRECTED

The Hon. JOHN RUDDICK: If you get your way—

ANTHONY LEAN: What I would say is this: There is an extensive body of work that has been done, including by the CSIRO, that shows that firmed renewable energy is the cheapest way to replace coal-fired generation, which is close to end-of-life if not already there. The CSIRO has demonstrated that time and time again. If a government decided that it wanted to build some other form of energy, I think the research shows that that would be more expensive than the pathway that we're on.

The Hon. JOHN RUDDICK: But we're trying to change the weather. If we don't go down your road, you're saying that in 20 years time it's going to be 5 degrees hotter.

ANTHONY LEAN: We are doing two things here. First, we are trying to reduce our emissions profile. Second, we are replacing ageing energy infrastructure that is pretty much end-of-life. We need to keep the lights on as well. We need to reduce emissions to try and minimise the worst impacts of climate change, which is already here, and we also need to ensure that we've got a reliable and secure power supply. The cheapest way to do that, according to the CSIRO, is through renewable energy backed by firming.

The Hon. JOHN RUDDICK: When you say that the coal-fired electricity is coming to its end-of-life and people aren't wanting to invest into it—which I accept is true—that's not because coal is no longer any good. It's because there is so much regulation against the coal industry. That's why people aren't investing in it. Surely coal is going to be cheaper. It's just that the Government has put so many roadblocks in the way, and therefore the only option remaining under the current framework is renewables.

ANTHONY LEAN: I disagree with that. CSIRO has done the work, and that demonstrates that renewables are the cheapest.

The Hon. JOHN RUDDICK: But you do agree that electricity prices have skyrocketed in the last 20 years since the transition began.

ANTHONY LEAN: There has been a range of factors that have contributed to the increase in electricity prices, particularly around 2022-23 where the impacts of the Ukraine war created significant issues in the energy market.

The Hon. JOHN RUDDICK: How much of our energy was imported from Ukraine? I think that's nonsense.

ANTHONY LEAN: No. It created problems in the global market for energy, particularly in relation to coal, which forced up our energy prices.

The Hon. JOHN RUDDICK: If the global warming science is all accurate, then it is a global problem; it's not a New South Wales problem. There is only one atmosphere, correct? New South Wales mines about 300 million tonnes of coal every year, and most of that is exported. It is exported to countries like China that basically do not care about their carbon emissions. If we genuinely are concerned that we are all going to get so much hotter, is the plan that we want to turn New South Wales and Australia into this renewable utopia so that the rest of the world then learns from our success? Is that the plan? If it's not, then we are digging up all this coal and sending it to places like China and Indonesia and everywhere else. They don't care about carbon emissions. What is the long-term plan? Are we hoping to be a model to these other countries to learn from our success? I think they're learning from our failure.

ANTHONY LEAN: We have our own plans in place around the road map and electricity infrastructure. We also have the Net Zero Plan, which is currently being reviewed, and a new plan is being developed which will take us out to 2035. That is—

The Hon. JOHN RUDDICK: All those plans are nonsense if the rest of the world doesn't do it.

ANTHONY LEAN: That's a matter for the rest of the world.

The Hon. JOHN RUDDICK: It's an emergency. We're facing an apocalypse, aren't we?

ANTHONY LEAN: We are responding in accordance with the Climate Change (Net Zero Future) Act and to what it says in that legislation, which is that we need to take urgent action to deal with the impacts of climate change.

The Hon. JOHN RUDDICK: So we can change the weather. It's nonsense. It's a fairytale.

The CHAIR: It is now time to have a short break. We will resume at 3.45 p.m.

(Short adjournment)

CORRECTED

The Hon. JOHN RUDDICK: Thank you, everybody, for coming back to PC No. 7 budget estimates. We'll hand over to the Opposition and the Hon. Jacqui Munro.

BRENDAN BRUCE: If I may, I have an update for you, Ms Munro, around the Central Coast Coastal Management Program. I anticipate that we will receive the draft CMP for review within six to 12 months. I understand also that the public exhibition period finished on 26 August, so council will be reviewing the submissions and making any changes necessary before submitting the program.

TONY CHAPPEL: Deputy Chair, may I, through you, make one clarification to my earlier answer regarding the Mark Taylor lead report. The community was first given this report in 2020 through the Broken Hill Environmental Lead Program Steering Committee, and this included the Broken Hill Aboriginal community and the lead reference group, the stakeholder community group convened by Broken Hill council.

The Hon. JACQUI MUNRO: Is it okay if we reset the clock, please?

The Hon. JOHN RUDDICK: Yes, I'm happy with that.

The Hon. JACQUI MUNRO: On the EV strategy, I want to confirm, is the 50 per cent target of EV uptake by 2030 still the policy?

ANTHONY LEAN: Yes.

The Hon. JACQUI MUNRO: With regard to coalmine methane, there was an analysis of satellite data by Ember energy which showed that New South Wales coalmine methane emissions are more than twice as high as government official figures. Has that been concerning to you, or are you looking at how those figures have been come to, as opposed to the government figures?

TONY CHAPPEL: The department and the EPA are jointly facilitating an expansion of the air quality monitoring network to actually monitor methane in a much more granular context, starting with the mining provinces. There are a number of different approaches to monitoring. Various groups raised various methodological concerns, but we're confident we'll have a much more accurate set of monitoring data going forward with that expanded network.

The Hon. JACQUI MUNRO: When is that expanded network expected to report for the first time?

TONY CHAPPEL: Let me check. I'll see if I can get you the answer today.

The Hon. JACQUI MUNRO: That would be great. Who has responsibility for coordinating the increase in waste from additional dwellings and landfill challenges associated with the housing increase?

TONY CHAPPEL: The Minister discussed the first NSW Waste and Circular Infrastructure Plan. The first few chapters of that, which deal with the residual waste stream—which is what ultimately goes to landfill—and with the food and garden organics stream for Greater Sydney, has been out for consultation. We're just integrating that feedback. I think the Government will shortly make some final decisions and release that plan. That has been informed by whole-of-government work, but it includes a series of actions for various agencies to make sure we can address that waste capacity issue.

The Hon. JACQUI MUNRO: Does that deal with specific sites? For example, obviously Woollahra is now the new site that is being discussed as having a fairly large increase to housing expected. Does this plan or strategy deal with individual sites by location?

TONY CHAPPEL: It's more about the infrastructure itself for processing or recycling or ultimately disposing of the residual stream, but it's adaptive to—

The Hon. JACQUI MUNRO: So it can deal with uptake no matter where it comes from?

TONY CHAPPEL: That's right. It's for the Greater Sydney region.

The Hon. JACQUI MUNRO: Is the modelling around the number of dwellings consistent with the 377,000 house target? How are the number of dwellings calculated in terms of increase? If you're dealing with an increase in capacity or mechanisms to deal with X amount of dwelling increases versus Y amount of dwelling increases, how have you made those determinations?

TONY CHAPPEL: Do you mean in terms of the waste from the construction process?

The Hon. JACQUI MUNRO: No, in terms of household waste.

CORRECTED

TONY CHAPPEL: It's all population based. We have forecasts for the population. We have a couple of challenges. One is that our per capita generation of waste volume has been increasing in the last five or so years, but also the total volume overall for the community has been increasing. We're looking to address both of those through a series of systemic policy shifts, which the Minister referenced earlier. But the plan is population based.

The Hon. JACQUI MUNRO: Have Parks and Wildlife staff working on the feral-free zones been offered permanent roles when they expired in July, and how many staff either were let go or had their contracts continued?

ANTHONY LEAN: Through this year's budget, there was an extension of funding for the feral predator-free program. That has been extended on an ongoing basis. I'll hand over to Parks to answer about the staff.

TRISH HARRUP: We have received ongoing funding for those programs through the budget. We're in the process of converting some staff who were temporary to ongoing.

The Hon. JACQUI MUNRO: Were there staff that were let go in that process?

TRISH HARRUP: No, I'm not aware of there being any staff that were let go in that process.

The Hon. JACQUI MUNRO: Sorry to be jumping around. Going to recommendations from the office of the chief scientist review into the fish kill in the Darling/Baaka River at Menindee in 2023, there were four recommendations made. Have they been implemented?

TONY CHAPPEL: I might hand to my colleague Mr Beaman, who leads the environmental services function for the State emergency arrangements.

STEPHEN BEAMAN: The answer is yes. We got additional funding for that. We've developed a Mass Fish Death Sub Plan, and that was approved by the State Emergency Management Committee. We also ran a full exercise in May out at Menindee, where we had 50 staff from various agencies across New South Wales to actually practise a whole emergency operation centre and incident management team for a mass fish death. The recommendations that were given to the EPA we've implemented.

The Hon. JACQUI MUNRO: Have there been any preparations undertaken to prepare for an event similar to something like the algae bloom that's happening off the coast of South Australia?

ANTHONY LEAN: That's actually an issue that is the responsibility of the Department of Primary Industries and Regional Development. That said, we have had a briefing with them, and they are thinking about the issue and how they would respond. There would be some areas that we would need to become involved in and the EPA would also need to become involved in as well. But there are some unique circumstances around South Australia in terms of the coastal topography which reduce the chance that such an event would happen here. But there's no doubt such an event could happen within an estuary or something like that. Steve, did you want to add anything.

STEPHEN BEAMAN: I was only going to add that we would also consider using the State's emergency management arrangements. They are an all-hazard, all-agency approach. The whole system is designed, no matter what the event is. We would do that in consultation with the State Emergency Management Committee and the State Emergency Operations Controller, which is the deputy police commissioner. There would be a whole incident response structure that is available for us to use if we needed to use it. All those plans are in place. Anthony is correct: Our colleagues in DPIRD do that work. Then there's continual surveillance, I suppose. People are keeping an eye out for these things, to get on top of it.

The Hon. JACQUI MUNRO: Does your team do any work on the likelihood of an algae bloom happening off the coast of New South Wales?

STEPHEN BEAMAN: They do—much smaller—occur from time to time. I think the advice we've got, similar to Anthony, is that these risks are actually relatively low, given the much more open coastline we have than the Spencer Gulf in South Australia. That's the problem—they're not having that flushing event. The advice is that we think that risk is low, but you do need to be ready for it.

The Hon. JACQUI MUNRO: Going on to Heritage, there was an Auditor-General's report in 2023 that found that Heritage NSW had 111 publications that hadn't been updated in 10 years—some of them for 20 years, I'm advised. Is there work occurring to respond to that concern?

ELIZABETH OWERS: Yes, there is. There was a very large number of documents, some of them dating back, as you said, into the '90s. We've had a program going for about two years now where we're working

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through them. It obviously is going to take quite a bit of time to work through those, but it's in train and the work is being done. We're also looking at consolidating. There's obviously a lot of information for people and the public to take on, so we're making sure that we're consolidating, putting the most important information out, and the information that is most relevant and can be maintained.

The Hon. JACQUI MUNRO: Are there particular themes that you're finding that are outdated throughout all the documents—that we should be letting our constituents know about—that are going to be updated or are in the process of being updated?

ELIZABETH OWERS: There are a few things going on here. One, I think Heritage was trying to be everything to everyone, and we aren't able to do that. It's around focusing on what the main things are—what are the skill sets that we have in house and that we really are the expert for—and then making sure that there are other groups and people within the community who have skill sets and consultants and organisations who are able to fill those gaps as well, so making sure that there is a space for the right person to be doing the right job there. The other part is that we would have multiple documents covering similar or related processes. It's really bringing it back and thinking from the owner's perspective of the heritage item or from whoever the audience is. What do they need to know, and how do we make sure we're presenting the information in the way that they can digest?

The Hon. JACQUI MUNRO: Are you anticipating that you're going to have fewer than 111 publications? Is the idea that you're basically going to shave—

ELIZABETH OWERS: Absolutely, yes. I will not have done my job if it's still at 111.

The Hon. JACQUI MUNRO: What kind of documents will be removed from the library?

ELIZABETH OWERS: There are a few things here. There are a lot of documents that are on our website at this point in time. Our website is also very large and unwieldy. We're going through a process right now of looking back, working with users of our website to understand again what information they want, and really starting from that user experience process to think about how we put that information out. We actually do have a library, which we are transitioning older documents to. Some of the feedback we get is, "Where is that document from 1997 that I love using and is relevant to the very niche thing that I do?" We want to make sure that people can access the information that they want, and that we're maintaining information that is most relevant and most important.

The Hon. JACQUI MUNRO: I'm advised that the heritage audit also found that Heritage NSW's reporting contained errors and data inconsistencies that limit reliability. Is that part of this work?

ELIZABETH OWERS: I probably need a bit more information.

The Hon. JACQUI MUNRO: It says Heritage NSW's reporting, so I gather it relates to reports. I would suspect that it relates to the work that you're doing.

ELIZABETH OWERS: There is a lot of reporting that we do, so I'd probably need to take that one on notice and just make sure I'm giving you the right information, coming back.

TONY CHAPPEL: Ms Munro, to your earlier question, if I may? I'm advised that the establishment phase of the monitoring network is planned for the period from June 2025 to June 2027. This is the methane monitoring network. The establishment phase will run for those two years. During that phase, the data will be accessed by a project team for analysis, modelling, interpretation and quality control and validation. Once that is complete, it will be publicly available.

ANTHONY LEAN: Can I also just add, on the chief scientist's report into the Menindee fish kill, there was a detailed implementation plan that was published by the Government last year. As part of the 2024-25 budget, funding was made available to implement a range of actions. Some of those are ongoing—for example, developing an integrated catchment management framework, which isn't due to be completed until the middle of next year. Likewise, work around considering the recommendations of the connectivity panel, which is not due to be finished until the end of next year. Probably it's more appropriate, if you had any further questions about the implementation of that response, that it's directed through the Minister for Water.

The Hon. JACQUI MUNRO: Back to Heritage. The Auditor-General's report made eight specific recommendations to fix some of the issues that I think you've referred to. How are you progressing on those eight recommendations, if you are working through those?

ELIZABETH OWERS: The eight recommendations were all completed, but it would be fair to say that a lot of those were the first step in the process and we needed to continue delivery to make sure that we were meeting community expectations and really improving as an organisation. The first one was really around looking at our assessments process. How does that operate? How do we make sure it's consistent, and make sure that our

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staff are delivering the same service each time? We've reorganised our business into a functional model, where the same staff work on the same types of applications, so we get the same consistency in process. We've also gone through and done process reviews, looking at it again, even from the customer perspective or the applicant perspective. Are they getting the right information at the right time and moving through the process as efficiently as possible?

The next one was around data quality. This could possibly be what you were referring to before. The State Heritage Register has 1,805 items as of today, I'm told. A large number of those items were tipped on in 1999 without having the information that supported why they were on the State Heritage Register. We have gone through and done an analysis piece this year. We know that 721 of those items do not have a statement of significance. We are going through a process now of actually cordoning off—staff are working purely on doing amendments to existing listings, as well as putting new ones on, to make sure that customers and owners have certainty around what they're being regulated on.

The other part we need to do is a statement of regulatory intent, which we published in June 2024. That's really who are we as a regulator, how do we operate and how can you expect to interact with us? The other part was around supporting State Government agencies. State Government agencies own about 40 per cent of items on the State Heritage Register. It's fair to say that there are some challenges that agencies have in managing those heritage items. What we've been focusing on doing—we had some really outdated guidelines and principles, and we have updated those. The State owned management principles—I think I've said the wrong name there, but I'll check that one—have just been approved recently by the Minister. That's really about modernising the approach of how you should be going and looking at heritage items.

The next one was around timely provision of heritage advice. We have improved significantly on that in the last couple of years. Back in 2022, we were hitting at about 40 per cent on time. We now are sitting at 99 per cent on time for major projects and 93 per cent on time for C&R referrals. That's under the EP&A Act. Finally, the last one—I've grouped some of them together, which is why there will only be six—is around better engagement with industry and with owners, helping them to know and understand what is expected when they interact with the heritage system. The key thing we've been doing is, one, we've got an engagement strategy. But last week we just had our Heritage Forum. It's a two-day event designed for the heritage industry to be able to come to as professional development. It's essentially an opportunity to come together, not only to network but also to understand what best practice is at that point in time, and what our expectations are.

The Hon. JACQUI MUNRO: Thank you for your very detailed and thorough work. Going back to Energy, has the department or anybody had interactions with the Government around the new IDA set up?

ANTHONY LEAN: The Investment Delivery Authority?

The Hon. JACQUI MUNRO: Yes.

ANTHONY LEAN: Yes, and my department has had discussions with the Premier's Department.

The Hon. JACQUI MUNRO: Have you had any discussions with Investment NSW?

ANTHONY LEAN: Yes.

The Hon. JACQUI MUNRO: Are you anticipating that energy projects will form a part of the \$1 billion-plus project pipeline?

ANTHONY LEAN: I think the threshold is that they have to be over \$1 billion. Whether they're an energy project or something else, they would generally be dealt with. I think they've signalled an intent that renewable energy projects are something they're particularly interested in looking at.

The Hon. JACQUI MUNRO: Are there many projects that are worth over \$1 billion at the moment?

ANTHONY LEAN: Yes, most of the transmission projects that are underway are well over that. There would be a number of large renewable projects that are also in excess of \$1 billion, particularly when you get into the pumped hydro space. They would almost certainly be within that realm.

The Hon. JACQUI MUNRO: I didn't get a chance to ask the Minister this, but is anybody aware of whether the Net Zero Commission has been tasked with doing any additional reports to their normal annual reporting process?

ANTHONY LEAN: There have been a few matters that they've been asked to report on. As was mentioned before, there's a refresh of the net zero strategy, or the Net Zero Plan I should say. They've been asked to provide some advice in that context. We can certainly take on notice as to whether there are any other specific referrals.

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The Hon. JACQUI MUNRO: That would be very helpful. On solar panels on roofs and the rebates that are for apartment blocks under 55 units, I was wondering how that threshold was come to, because I note that the Government doesn't seem to actually know how many apartment blocks there are under 55. I've been contacted by somebody who has an apartment block with over 55 lots, and they're really keen to get this underway. They've got all of their all their members on board, but they can't access the funding. I just wanted to understand why they aren't able to, basically, get the funding, even though they've got everyone on board.

KIM CURTAIN: I think I'd have to take on notice exactly why it is that that number was chosen. I don't have that level of detail.

The CHAIR: Mr Lean, can I ask you about the koala translocations? I understand that there's now a hold on that program and an evaluation. I read some things—and the Minister referred again—about the potential for bad weather and so on. Accepting some of those potential conclusions or factors, what is the current scope of translocations work that was in the pipeline and that was being undertaken?

ANTHONY LEAN: There have already been a couple that have been undertaken, and the Minister referred to one of those in Western Sydney earlier in her answer. I think there were two in the planning phase. I might ask Ms Harrup if she can provide any more information.

TRISH HARRUP: Yes, correct. As you would know, koala translocations are identified as a theme or a program under the Koala Strategy, and there have been a couple of translocations undertaken as part of that. Then there was the south-east forest, and there were two more that were in the planning phase. But what we have decided to do is to pause any further translocations until we have the results of the review of the south-east forest.

The CHAIR: Have we ever experienced any translocations quite as—and I'm not being loaded when I use the term—dramatic in terms of geographic translocation?

TRISH HARRUP: There haven't been many translocations in recent years in New South Wales, but one of the examples you're probably aware of is Narrandera, which was undertaken in the 1970s. There's now quite a substantial and healthy population there of over 400 koalas, and they were translocated from northern New South Wales and from an island off, I think it was, South Australia or Victoria. So they have been translocated successfully over quite large distances.

The CHAIR: But we have done nothing really since then in terms of that broad geographic change.

TRISH HARRUP: Not in Victoria. I think in other States—there have been some other translocations in Victoria, South Australia and Western Australia.

The CHAIR: In terms of this evaluation that is happening, is there a question being asked whether translocations of that distance are still something that should be contemplated? Is the evaluation that pretty much everything's on the table or is it narrow in its scope?

TRISH HARRUP: It's quite broad in its scope. We're looking at all of the aspects of the planning and the execution of the project. We're looking at things like gut biome and the suitability of the trees—that was assessed prior to the translocation as well—but looking at disease as a factor as well.

The CHAIR: The evaluation terms and scope, is there something that might be publicly available for people to know and understand more about what's happening?

TRISH HARRUP: I'm not sure whether there's any information currently available about the scope of the review. I can take that on notice. The intention will be to make the findings publicly available. They will go through an internal and an external expert review, and they're looking to have that done by the end of the year.

The CHAIR: On that, where are we up to with the Koala Strategy review? I know the Minister had a round table, and there was a public process. Is that review still happening?

ANTHONY LEAN: The Koala Strategy runs until the middle of next year. There was obviously the Koala Summit, I think it was called, early last year. There have been various consultation papers released as part of that. We're reviewing all of the material and government will make a decision on where to next for the Koala Strategy when the current strategy comes to an end.

The CHAIR: I understand the public forum was looking at whether the objectives of the Koala Strategy are still relevant—the idea that we were going to double the population and translocation was the thing. Are all things on the table in terms of looking at what a good, fit-for-purpose Koala Strategy in New South Wales would look like?

ANTHONY LEAN: Yes. My recollection of the consultation paper that we put out is that it was quite broad. It was asking some quite open questions, so it is taking a broad look. Obviously we'll need to factor in other

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developments, like the pending decision on the Great Koala National Park and the other park that's been created in southern Sydney. Alison, did you want to add anything else?

ALISON PEPPER: I think the other thing that we would say is that obviously under the plan for nature there was really a commitment around putting nature on a path to recovery, and that includes species et cetera. So any work to inform a new Koala Strategy will be done around the work that we're doing around the nature strategy as well.

The CHAIR: Have you got a completion date? Are you expecting that the current strategy will run its course and then there'll be a new one or there'll be a new one before?

ANTHONY LEAN: Ultimately that's a decision for government, but I think we're working towards having something towards the middle of next year.

The CHAIR: I've been asked to ask you, Mr Chappel, about the State of the Environment report. Why is the State of the Environment report not supporting local government area scale breakdowns? I think it used to, and perhaps there might have been a change in that. Does that sound—

TONY CHAPPEL: I'm not aware of a change in the methodology. A lot of these data sets are held by other parts of government, and it's very much a whole-of-government effort. Perhaps it's best if I seek some advice on that, and I'll either come back this afternoon or on notice.

The CHAIR: It really is just about that local government area scale breakdown so that it can be used at that level. Can I ask if anyone knows about the little penguins at Manly? The question really goes to what are the current estimated numbers of breeding pairs of little penguins in the Manly population? I'm happy, if it's easier, for you to take it on notice.

NAOMI STEPHENS: No, I am able to provide an update. I'll just find my notes so I get my numbers right. Was there anything particular you would like to ask me about?

The CHAIR: Yes. Basically, what are the numbers of successful little penguin fledglings for the population for the last three breeding seasons?

NAOMI STEPHENS: I can tell you the numbers for the most recent year. We're down to 15 pairs, 36 eggs and 29 fledglings. I think I'll need to take the previous two years on notice.

The CHAIR: What are we doing to try to recover the species or rebuild—

NAOMI STEPHENS: We're continuing with the work that we have been undertaking for some years. We're working with various stakeholders to develop and implement comprehensive strategies to look after the population. We've got 50 volunteer penguin wardens that continue to contribute to community education, habitat cleaning and issues reporting. We've got a penguin predation protection plan, where we use remote cameras, fox baiting and intensive monitoring. When we do have fox sightings, we have successfully detected those foxes and have been able to control them. We've also got a project where we work with the NRMA Manly Fast Ferry, working with local students to engage the public on penguin protection. We do bush regeneration on a regular basis and revegetation to help sustain and enhance the habitat, with nesting boxes being provided and maintained. We continue to monitor the breeding success annually.

The CHAIR: Is the expertise that the population may survive or is the expertise that the population is unlikely to survive in the long term?

NAOMI STEPHENS: The expertise is that little penguin populations across Australia are continuing to decline.

The CHAIR: It's tragic.

NAOMI STEPHENS: As far as I'm aware, there's no indication that, despite all the hard work that we've been doing since we had that incursion a few years ago—the numbers fell at that time. Since then, the decline has continued and there's no sign at this stage that we can turn that around.

The CHAIR: I've got a question about the gas decarbonisation roadmap. The website apparently states the Government will consult publicly with all interested stakeholders in 2025 to develop the gas decarbonisation roadmap. Has that begun or can you indicate when that will begin?

KIM CURTAIN: The consultation hasn't begun yet. There is some work that's begun, certainly within the department, but we don't have the exact timelines yet. We're working through with Government on the plans for the—

The CHAIR: Is there a clue? Will it be this year? Have you got any kind of—

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KIM CURTAIN: Let me take it on notice, so I can be accurate.

The Hon. JOHN RUDDICK: My question is to Mr Chappel. I understand the EPA is considering whether mining companies should be required to purchase green explosives, which produces ammonia using green hydrogen. As you know, there's a lot of explosives used in the mining industry, but I understand the EPA is considering mandating that they have to use green explosives. Does that sound correct?

TONY CHAPPEL: We're broadly considering a whole range of regulatory tools, sector by sector, but there's no advanced or near-term consideration of that kind of proposal. I think the idea of thinking more broadly about regulation, and particularly in relation to greenhouse gases, is—Orica has done excellent work decarbonising their production process, and they'll be making, essentially, a product—ammonium nitrate—with about half the carbon intensity that it previously had. If they progress with the hydrogen proposal that they've had that support from the Commonwealth for, it'll be essentially zero carbon.

I think the worst outcome would be for an Australian innovation like that to be then outcompeted by cheap imports with lower standards, so you think about various sectors where we probably don't yet have the regulatory tools to most efficiently and effectively pull forward the innovation in a way that doesn't cause the leakage out of State or out of Australia that none of us want to see, because we're trying to decarbonise, not de-industrialise. In fact, we want to harness the opportunities for new sources of sustainable growth and prosperity through this transition. It's that paradigm that we're starting to think about and talk to colleagues in the department about, and other parts of government and industry. That'll be a deeply iterative, collaborative conversation with industry and various sectors.

The Hon. JOHN RUDDICK: The New South Wales Government's green ammonia market study did say that they're estimating that green ammonia will cost at least twice as much as other ammonia. Does that sound right to you?

TONY CHAPPEL: I'm not familiar with that particular study. I think Orica's quite positive about doing this very efficiently and having a premium product that's cost effective, but I can't speak to the specifics of that study.

The Hon. JOHN RUDDICK: New South Wales farmers use a lot of ammonia in their fertilisers. They use three times as much as the mining industry does in explosives. Are you considering mandating that green energy be used for ammonia for the agricultural sector?

TONY CHAPPEL: No.

The Hon. JOHN RUDDICK: Okay, that is good news. So with the mining sector, you were saying—

TONY CHAPPEL: No, we're really not considering that for any particular sector at this point. The agricultural sector is a great example where I don't think an efficient way to regulate would be to send EPA or any other government agency out there to individual farms and start directing or dictating individual interventions. I think you've got much more efficient ways to enable change that also don't create competitive barriers vis-a-vis imports coming in that are competing with some of those farmers. Really it's about market access for our primary producers to their offshore markets and the most efficient way to help the sector transition. I think there are huge opportunities in agriculture in things like vaccines and feed additives and so on. That's really the focus of our thinking at present.

ANTHONY LEAN: If I could maybe add to that as well. Under our green Hydrogen Strategy, we're very much focused on trying to create the market for that. One of the first projects that's made a final investment decision is one to develop green ammonia in Moree, and that will be used as fertiliser in the Gwydir region. We expect it will be able to produce up to about 15 tonnes of green ammonia per day.

The Hon. JOHN RUDDICK: But we can say at this stage, in terms of the coalmining industry, that we don't have any firm plans to introduce any type of mandate around green explosives?

TONY CHAPPEL: No. I think we discussed earlier the proposals we've progressed for consultation regarding the coalmining sector specifically. The Minister's flagged the broader work underway across government looking at some of those other key sectors such as transport and the built environment, but the extent of our mining proposals is on the table in terms of the coal sector. It's open for consultation for, I think, another three or four weeks.

The Hon. JOHN RUDDICK: The New South Wales Government released a renewable fuel discussion paper in August 2024. On page 21 of that discussion paper, there's a proposal for possible actions to support demand for renewable fuels, including:

- Purchase targets for renewable fuels in hard to abate industries

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- Mandates, for example green ammonia purchase requirements in mining and/or other sectors or renewable diesel and biodiesel blending in transport sector

When will the renewable fuel policy be released?

ANTHONY LEAN: That's obviously a matter for government. Government needs to make a final decision on the strategy or policy. It's under active consideration at the moment, and I expect there'll be a decision made imminently.

The Hon. JOHN RUDDICK: While the renewable fuel policy is not yet finalised, the New South Wales EPA recently released a draft greenhouse gas mitigation guide for New South Wales coalmines. Amongst other things, this document proposed to mandate the use of renewable fuels at coalmines, starting with 5 per cent in 2030, 10 per cent in 2035 and 25 per cent in 2040. Page 24 of that draft mitigation guide for New South Wales coalmines also states:

While this guide and these expectations apply to coal mines, the EPA intends to consider similar requirements for all mines and other sectors in the future.

What other sectors are going to have renewable fuel mandates imposed upon them?

TONY CHAPPEL: I can't really speak to that. There have been no decisions made in respect of other sectors. That work and all of the broader policy work that's been underway in recent years on renewable fuels—as well as the deep consultation the EPA has done in the last 12 months with the supply chain, with the Australian manufacturers of various biofuels on the east coast, and with the OEMs and other providers in that sector—have informed these suggestions. But, as I said, they're really proposals seeking feedback.

Part of this consultation is to elicit various views from the sector and from other stakeholders about what is desirable, what's optimal, what's efficient and what's effective. When you look at small-scale mining vehicles and electrification, for example, in Western Australia, there's some very competitive technology already being brought to bear in the larger vehicles that our large mines here use but that isn't available. Looking to blend fuel to achieve improved environmental outcomes is one alternative, at least in the next few years, particularly as government, more broadly, seeks to catalyse new investment and growth in the renewable fuel sector.

The Hon. JOHN RUDDICK: Would you agree that renewable fuels, at the moment at least, are twice as expensive, or more, as diesel fuels?

TONY CHAPPEL: I don't know that I would necessarily endorse that number, but I think what you see in this proposal is seeking to blend a fractional amount that is consistent with existing engine technology but also doesn't impose an undue cost burden. But it starts to pull forward that investment in the supply chain, which is how we drive down cost.

The Hon. JOHN RUDDICK: I think when we look over the last 20 years, the regulation has just been going in one direction and that's more regulation, which means more cost for producers. Are you in a position where you could rule out imposing expensive renewable fuel mandates across the New South Wales economy?

TONY CHAPPEL: All I can say on that, Mr Ruddick, is the EPA is not looking at a proposal of that kind. But if you look at rooftop solar, for example, where regulation has—and the rooftop solar system has seen very dramatic falls in cost. It's that kind of pull factor that we need to consider when we want to catalyse new industries such as renewable fuels.

The Hon. JOHN RUDDICK: I have a question for the EnergyCo CEO, Hannah McCaughey. I understand you've been the interim CEO since last November—or are you now the CEO?

HANNAH McCAUGHEY: I'm now the permanent CEO.

The Hon. JOHN RUDDICK: How many full-time staff would EnergyCo have at the moment?

HANNAH McCAUGHEY: At the moment it has 212, and I just wanted to correct what I said earlier. I said that by the end of the year we'd have 170, and I meant by the end of the year we'd have 270, just to correct what I said earlier.

The Hon. JOHN RUDDICK: So we're going from 170 to 270.

HANNAH McCAUGHEY: Yes.

The Hon. JOHN RUDDICK: Principally, what areas would those new employees be involved in?

HANNAH McCAUGHEY: Actually, it's across the board, and it's to make sure that we have more permanent staff and reduced reliance on contractors. That's been a continual theme—to maintain an important IP in-house and keep it government owned.

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The Hon. JOHN RUDDICK: I speak to quite a few people in the proposed REZ areas, and some of them have referred to you as "Hannah the ghost" because they haven't seen you in the regions since your appointment. That may be unfair, so I'm happy to hear what you say. What community consultation sessions and other community engagements have you personally attended, and what ones are planned?

HANNAH McCAUGHEY: I do go to the regions regularly. In fact, last week I was in Mudgee at the opening of the Mudgee community centre, and that was a really great opportunity to meet members of the community. I do go regularly.

The Hon. JOHN RUDDICK: The arts centre?

HANNAH McCAUGHEY: No, it's a community engagement centre for the REZ. It's where community members can come and get information, learn about it, give feedback and all those things. I was at that event, which was attended by many community members, and it was a very positive and good event. I've also been to a consultation process for our social impact management plan in the renewable energy zones. I do make sure that, with all of the community consultations that we have, they are led in region by our team. That's a consistent thing that we do across all our REZs. It's very important that we have those people empowered at that level and that they lead all the community consultations.

The Hon. JOHN RUDDICK: The crossbench time has expired, so I'd like to invite the Opposition to speak. I understand the Hon. Wes Fang is leading.

The Hon. WES FANG: We haven't discussed the issue of brumbies for a bit. Is the aerial culling process continuing?

ANTHONY LEAN: If you'll just give me a moment to step through this, there are the three zones—the prevention zone, the retention zone and the removal zone. We're not conducting widespread aerial culling. However, as part of broader aerial pest control programs, we are continuing to remove horses where they are in the removal zones or in the prevention zones.

The Hon. WES FANG: When you say "remove", is that a euphemism for shooting them?

ANTHONY LEAN: Yes.

The Hon. WES FANG: So, euphemistically, how many have you removed this year?

ANTHONY LEAN: If you'll just give me a moment, I'll have a look at my notes, unless one of my colleagues up there gets to it first.

The Hon. WES FANG: Surely you must have anticipated this question from me.

NAOMI STEPHENS: Anthony, I've got a figure which is the total removed since the 2024 survey, which was 10 November 2024, and 177 horses have been removed from Kosciuszko since that date.

The Hon. WES FANG: Were they all euphemistically taken care of, or were some rehomed?

NAOMI STEPHENS: I can tell you that 65 were aerially controlled, one was ground shooting, 109 were rehomed and two were euthanised, which would have been, in the main, due to misadventure.

The Hon. WES FANG: For the 65 that were aerially culled, was that an aerial culling program that was specifically for brumbies, or were they part of a wider feral animal cull?

ANTHONY LEAN: No, it was part of a wider aerial cull. We also removed 290 pigs, 551 deer, two dogs and 23 foxes.

The Hon. WES FANG: Since the Minister became the Minister, in March 2023, are you able to tell me how many have been aerially culled since then, or since the start of the aerial culling process?

NAOMI STEPHENS: I have a figure that tells us how many have been aerially culled since 21 October 2023.

The Hon. WES FANG: And that was when the trial commenced?

ANTHONY LEAN: The trial, from memory, yes.

NAOMI STEPHENS: And that figure is 6,034.

The Hon. WES FANG: Do you have the figure for total removals since the start of the aerial culling process, by any chance?

NAOMI STEPHENS: The total removed since 21 October 2023 is 6,570.

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The Hon. WES FANG: That includes those 177 that we spoke about a little bit earlier since the survey. Is that correct?

NAOMI STEPHENS: Correct.

The Hon. WES FANG: So those figures are accurate to there. That's interesting because, obviously, when the Minister proposed that the matter of aerial culling be progressed, there were a range of figures around the brumby count that were bandied about. Certainly it was indicated there were in the region of around 20,000, give or take.

ANTHONY LEAN: No, I think there was a range specified. The lower end was much lower. I think it was around 12,000, from memory.

The Hon. WES FANG: It was 14,000, I think, at the time that the trial was brought in, but I stand to be corrected. In any case, let's go with your figure of 12,000, I think it is, if that's the lowest figure.

NAOMI STEPHENS: Yes, 12,797 was the lower figure.

The Hon. WES FANG: If we remove 6½ thousand from that, that still gives us 6,200-odd horses that should be in the park now, give or take the birth rate, the death rate. Usually the birth rate—

ANTHONY LEAN: Mr Fang, this is an aerial survey methodology and it is underpinned by a 95 per cent confidence interval. We in fact did three different methodologies this time around, which produced a range of figures, which just highlights some of the uncertainty.

The Hon. WES FANG: I think we said that at the time, didn't we?

ANTHONY LEAN: But various parties were saying at the time that the numbers were actually much, much lower, down to 2,000 or 3,000, or something like that, and we've actually removed 6½ thousand, so clearly—they're an aerial survey methodology. They can only be confident to a certain degree.

The Hon. WES FANG: In relation to that aerial survey methodology, if we were to compare like for like, comparing the 2023 survey number with the same methodology in 2024, excluding the two other survey methods that were introduced by the Minister, are you able to provide those figures for 2024 using the same methodology by any chance?

ANTHONY LEAN: It produced a range of 1,579 to 4,007.

The Hon. WES FANG: That was just the one method as opposed to—

ANTHONY LEAN: It's the same method that was used in 2023, from what I understand.

The Hon. WES FANG: Therein lies the issue really, doesn't it? Using the lowest figure in 2023, being 12,700 and you've removed 6½ thousand horses. Let's go with the lowest number, being down to 1,000, but even if we used the highest number, we're certainly well below the figure that it should be, and remembering that the band went up to around 20,000 horses—

ANTHONY LEAN: As I said, it's 95 per cent confidence, which is pretty good. If you look at one of the other survey methodologies, the top end of the range there was 5,639, which when you do the maths that you're doing, it's actually a lot closer.

The Hon. WES FANG: But if you're going to use that methodology, you then need to use the higher number from the previous survey. You can't compare like for like when you're going, "Oh, well, the highest number on this survey is close to the lowest number on the other survey minus the 6,000-odd we shot." The numbers were so inaccurate, and this was the problem. That was the issue that was raised at the time. People said, "Stop shooting them until you have some accuracy around the numbers." Is that not correct? Is that not what we said?

ANTHONY LEAN: I wasn't around for the full period of the debate, so I'll take your word for that. But we took on board the advice and there were three different survey methodologies undertaken with the last survey. There's a degree of consistency between those. As a result of that, at the moment, we're satisfied that the numbers are around 3,000 as required by the plan. As a result, we've stopped widespread aerial culling. Just to be clear about this, we are still doing feral horse control as part of an integrated pest program where those animals are located in one of the removal or the prevention areas. I think if you look at the three survey methodologies and the fact that we've stopped the wide cull, we're in a reasonably good position in understanding where the numbers are at at the moment and we'll continue to manage it as we do further surveys in subsequent years.

The Hon. WES FANG: Mr Lean, let me put this to you then. We've identified that the count is inaccurate. I think you've said that.

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ANTHONY LEAN: No, I didn't say that. They're your words.

The Hon. WES FANG: It's at variance or whatever. Use the term that you would like. There was already concern that the numbers post the survey were around or under 3,000. Why then have you continued culling brumbies in Kosciuszko National Park, given that I already believe the Minister may have breached the legislation by going below 3,000, and you say around 3,000. Why remove more?

ANTHONY LEAN: The plan requires us to have removal areas and prevention areas where horses are to be removed. We are not removing horses from the retention area. The only time that we are taking that action is where they are in the areas where we are legally required to remove them.

NAOMI STEPHENS: We also have horses continuing to make horses. When we get to June 2026, we're aiming to have, consistent with the legislation, 3,000 horses in the retention areas.

The Hon. WES FANG: It's very hard for a mummy horse to love a daddy horse when daddy horse has been shot, though.

The CHAIR: I can guarantee mummy horses don't love daddy horses. It's a very different function.

The Hon. WES FANG: Earlier I spoke about the issue of Scheyville with the Minister, but now that I've got some officials from Heritage here I might seek to better understand some of the interactions you may have had with your cross-department colleagues—even though you are under the same Minister with national parks—in relation to issues such as the commandant's house.

ELIZABETH OWERS: I think the important thing, first of all, is to say when we're doing these compliance actions we're actually working with the Heritage Council. The Minister doesn't have a role in the compliance function unless we issue a section 120 order and there's a breach. After you raised it at budget estimates a little while ago, the staff did an inspection—the Heritage NSW staff—in September, and we issued a letter on 2 October saying that we didn't believe that National Parks and Wildlife Service, in that situation, had been meeting minimum standards. We asked at that point in time for them to get two things. One was a structural engineer's report done by an engineering firm with heritage expertise. We also asked for a hazardous materials report. They were provided to us in March, just before budget estimates last time.

Where we understand it is up to now, that hazardous materials report identified that there are some safety issues with the site. I'll let Naomi talk through what they're doing in terms of how Parks is managing that, but we're quite comfortable that Parks is taking the issue seriously and putting the steps in place in order to be able to commence the works when it is safe to do so, and our approach really in compliance is to work with owners to get a good heritage outcome, so we're comfortable with how it's progressing. I'll let Naomi add to that.

NAOMI STEPHENS: As you say, we've discussed with Heritage an agreed way forward to best manage the heritage values of the house, and we're working really closely with HAML. HAML have indicated to us that they have a grant from the Commonwealth and, if they're successful in getting a licence to occupy the house that they're seeking from us, they will undertake the work with that grant. The work could also be undertaken by Parks if HAML is not successful in getting that licence. HAML has commenced planning and heritage approvals with NPWS providing advice and support. In fact, we met with them this morning to discuss that. We have funds allocated, if required, should HAML not get the licence. But at this stage they have declined our offer to do some of the planning and structural work as they have sufficient funding available.

The Hon. WES FANG: I am not sure what the gestation period of a horse is, but I think we could have had a few horses born in the time that it's taken—I've raised this over multiple estimates. We're now at least 12 months-plus since this has become an issue.

The CHAIR: That's one horse.

The Hon. WES FANG: One horse. There you go—something to shoot at later. Why is it taking so long? I have grave concerns about the way we are managing this. I say this as somebody who has trained and served in the Australian Army. There is a heritage value that needs to be protected. The people, including former Deputy Prime Minister Tim Fischer, trained at Scheyville. That place produced a number of leaders. We've recently had Vietnam Veterans' Day. The delay in seeing this site protected, which has a heritage order on it, I think is disgraceful. We're now 12 months in and nothing of material improvement has occurred.

What does it take to actually issue a breach notice to National Parks and Wildlife Service in relation to this? Because whilst I accept that you've met again with HAML today, certainly this isn't the only time I've raised this issue. I've been raising it through the House, in questions to the Minister. My engagement with HAML, in particular, around this matter has been that there are issues continually with the National Parks and Wildlife Service. They've requested that works be done to at least shore up the site so that the house does not fall down.

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You're saying now that there's money set aside but you're not prepared to actually spend that because they've said they might. How are we at this point where the house is still potentially about to fall down?

ELIZABETH OWERS: Just to clarify, we haven't issued a Section 120 order under the Heritage Act. At this point in time, we've written and are working with National Parks. That's in line with our statement of regulatory intent. We work with the owner to be able to get the outcome, and we also do the minimum intervention needed to get movement here. I'll let Naomi speak through the timing of it, but at this point, as I said, we're comfortable with the reports and the information that's come out of the hazardous material report that it is not safe for the works to progress, and it's really on Parks to be able to make sure that's moving forward.

NAOMI STEPHENS: I would observe that the site has deep heritage significance. That really starts back with, obviously, First Nations people. Then there's various activities that have been done by various people along the way, including the important military history. It's State Heritage listed, and there's a lot that needs to be done—undertaking planning and assessment to make things happen. We've been working with HAML now, as you say, for some time. They have an occupation licence to use part of Scheyville for the operation of a public museum and associated community activities. I've been out and seen the work that was done by HAML. It's brilliant. It's fair to say that that's had a really great outcome.

They also have a licence to undertake refurbishment works to Long Tan Place house, and they'll be granted an occupation licence for that house on completion of the works. They've now requested to license additional buildings, and one of them is the farm manager's house, also known as the Commandant's House, which I think is the one we're talking about. We've asked them for a detailed proposal, which is how we operate. We need the information, and we do intend to work with them. In fact, when we got advice from the heritage consultant to say that they thought that the house should be stripped back to a minimum to bring out the original fabric, we immediately met with HAML, concerned that it might not be what HAML had in mind. In fact, what they said was, "Yes, we agree, that's exactly what we want to do." We've been working with them ever since in a really, I guess I would say, good collaborative way to get that work done.

The Hon. WES FANG: Are you sure that's how you would describe it—a "good collaborative way"? Because I often receive emails where I can see—it appears to me, on a prima facie case anyway, that staff from National Parks will come to estimates and tell me, "We're working collaboratively with them, we're hoping to see an outcome, we will protect this site, we will not let it fall down." Then I see the emails and the email traffic where it appears that National Parks is acting like a roadblock.

My concern is that, regardless of what discussions you're having or what agreements are in place, until there is a licence and there is an agreement for HAML to refurbish that house, ultimately the body that is responsible for the protection of that heritage asset is the National Parks and Wildlife Service. The delay in getting these works done to protect that site, I expect, is only making the problem worse. When I come back to estimates in a few months' time, are we going to be having the same conversation about nothing having been done—no works done to protect what is a heritage listed site and something that is of great importance to those few Vietnam veterans we have left, but also the wider veterans community in New South Wales and Australia?

ANTHONY LEAN: Mr Fang, maybe I could just add something. Since this has been raised at estimates a couple of times before, there has actually been significant progress. Ms Stephens ran through the two agreements that we've already reached with HAML and the work that's already been undertaken under one of those agreements. The second one, they've got approval to do works, and that will turn into a licence as well. I think it's quite a long-term licence. What I would just say is that we are working within the framework of the national parks Act. It's also a State heritage item, so we have to be very careful to make sure that we're meeting all of the legal requirements. Now, if that's being interpreted as being difficult, that's unfortunate. But it does sound as if there is quite a good collaboration happening with HAML at the moment. If there are specific concerns, I would encourage them to refer them to me and I can look specifically at them.

Dr AMANDA COHN: I had a few things to follow up on after I rudely cut off Mr Chappel this morning. The first one was, I was talking to the Minister about the Product Lifecycle Responsibility Act and wondering what you see as potentially the low-hanging fruit or the opportunities for that framework to be applied to other waste streams.

TONY CHAPPEL: It's frankly a transformational framework. When the UK did their regulatory impact statement, we deliberately included all the Treasury guidelines of all the States and Territories in the Commonwealth so it can be replicated. I understand from colleagues in other jurisdictions, a number of them are now progressing the legislation in an analogous way to the way it was adopted here—so that you might imagine a national stewardship scheme, say, for solar panels, but domiciled in one State but operating across Australia in a consistent way. That's the sort of future we're hoping to help enable. In terms of our list of areas for reform, obviously packaging and there's been some discussion of the container deposit scheme and reform of that—that's

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a different piece of legislation, but it is a notable, very successful stewardship scheme. Our first priority is batteries, lithium ion batteries, in either micromobility devices or embedded categories because they're posing a significant fire risk. We've also said we'll look at the other battery categories once those are done, including those in homes and vehicles.

There's been a long debate nationally about tyres and stewardship of those and how that might operate more effectively. It's a case that potentially is applicable here—perhaps, again, domiciled in another State. It doesn't have to be in New South Wales but some sort of national solution. We also looked at some chemical solvents where we do see potentially a viable benefit of this kind of stewardship. Of course, the Minister took to the energy and climate change Ministers recent meeting a proposal to look at national stewardship arrangements for solar panels so that, instead of disposing of panels when they come off people's roofs as they upgrade, they still operate. We can have a second-hand market or we can have a viable reprocessing, re-manufacturing sector. There are probably a number of other sectors that are not at the top of my mind, but I'm happy to take on notice any others that we consider prospective and also hear other suggestions from stakeholders in the community.

Dr AMANDA COHN: Yes, please. I'd love to hear that list of yours and what you're hearing from other States as well. I think you were also trying to tell me this morning about the changes to IChEMS.

TONY CHAPPEL: In respect of—

Dr AMANDA COHN: I was talking to Minister Sharpe about reducing waste at its source. We talked about the plastics plan. We talked about product lifecycle responsibility—

TONY CHAPPEL: Yes. One of the proposals the Government's consulted on in that plan is quite a groundbreaking proposal in terms of the chemistry used for packaging that we're exposed to. It's fairly well known now that there are about 40,000 chemicals that we use in society, and they operate on the basis of innocent until proven guilty. What we find is, over time, as knowledge catches up for something that's bioaccumulative and persistent, it can be very problematic in the environment. We see that with PFAS, we've seen it with Triclosan. Galaxolide is another one we've identified. We also have seen well-intentioned reforms such as phasing out BPA, leading to the replacement of that chemistry with something equally unsafe in some cases.

This proposal is to essentially flip that onus and have a demonstrably safe set of chemistry that industry is encouraged to utilise and a contrasting red list of prohibited chemicals. Then there'll be an ability for industry, if they want to use something not on that green list, to make the demonstration—either through other data or approvals in other jurisdictions or some other process—that it is able to be safely used and it's safe when it gets into the environment. That would be something that we'll also be working with the Commonwealth to ensure that their reforms to packaging take that into account. That really sort of sets a bar for what we hope national reform looks like.

Dr AMANDA COHN: I'm very interested in this. It occurs to me, as a former medical practitioner, when you look at the framework for pharmaceuticals having to go through pre-clinical trials and clinical trials—but there's also, for pharmaceuticals, kind of an after-market surveillance where, if things are being picked up as an issue, there's a framework for a very prompt response to investigate that further. Is that also being considered as part of this reform?

TONY CHAPPEL: I think my colleague Mr Beaman can probably add some details.

STEPHEN BEAMAN: I think that's the modernisation nationally that's happening with the IChEMS framework. At a national scale, I think the previous system was sort of the wrong way around. There's a much more proactive approach by the Commonwealth and the States to look at chemistry that comes into the country and do those risk assessments and do that analysis for those chemicals that are released on the market. The issue I was going to raise is we built this really awesome tool with some colleagues in New Zealand called HazEL. It's a hazard evaluation tool—a visualisation tool for industrial chemicals.

We can prioritise and risk rank industrial chemicals in relation to each other, what their hazards are in terms of toxicity, bioaccumulation and persistence in the environment. The way we've used it recently is to look at compostable food packaging and saying, "If it's coming from China, what chemicals have been approved in China that gets used to make that virgin material?" We can run our HazEL model over that and identify chemicals that we can target for testing in product as it comes into the country. For us, it's actually quite groundbreaking and puts us in a much more proactive space.

Dr AMANDA COHN: That's very helpful. It didn't quite answer my question, which was kind of after market. There are often instances where something might only come to light as being harmful because of persistent bioaccumulation for decades. I suppose my analogy to pharmaceuticals was that, in that sector, there's a very robust framework for investigation of harm. That's the questions being asked.

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STEPHEN BEAMAN: That's IChEMS. We go back to IChEMS. Recently we've written to IChEMS on two chemicals—galaxolide, which is an artificial musk that gets used in detergents that we think poses an ecological risk. We've done the risk assessment work and we've gone back to the Commonwealth saying, "We'd like you to consider this for a further analysis and scheduling into IChEMS." The other is triclosan, which is used as an antimicrobial treatment in a whole range of materials, including things like toothpaste and hand sanitiser. So we then put the pressure back onto the Commonwealth to say, "We want this particular chemistry reassessed because it's in the market and we think it has a risk."

Dr AMANDA COHN: In my remaining time, I wanted to come back to local government's ability to appropriately respond to air pollution, particularly particulate pollution complaints. I think you might have wanted to add something this morning when I was asking the Minister about it.

TONY CHAPPEL: We do get inquiries from time to time from community members wanting to report pollution or wood smoke impacts. We've written some guidelines for local government or shared some guidance about how to collect that evidence and what it should look like. Perhaps Mr. Beaman can talk to that.

STEPHEN BEAMAN: I think last time we chatted, one of the issues was about evidentiary use of video footage by the public and by councils.

Dr AMANDA COHN: That was one of the issues, yes.

STEPHEN BEAMAN: We've written to local councils and we've updated our website so you can use the video footage. You need to be able to have a continuous period of not less than 10 minutes, including a period of not less than 30 seconds when the plume extends at least 10 metres—there's a mouthful. That's actually in the Act in section 135. You can use video evidence—a council can use it—but there are a couple of things, and we need to think through it carefully. We've given this advice to councils. The person providing the video evidence needs to be willing to be a witness, whether that's in the form of an affidavit or, if the matter gets appealed and goes to court, the council needs to rely on that person to give evidence. The video footage can't be doctored, so it needs to be sort of a continuous run of video footage. We've just got some extra advice that people should be careful about trespassing. They might get a little bit excited and enter private property. We've just given council some advice and tips about how they can engage with the community. I think we should encourage the community to report in because an engaged community in that space is a good outcome.

Dr AMANDA COHN: That advice is certainly helpful and very welcome. I just wanted to follow up—under the Clean Air Strategy, there's a specific point about the Government supporting councils to better manage smoke from wood heaters. I know this is enforced very variably throughout the State: Some councils really see this as a priority issue, many others don't, and we're in a context of a financial sustainability crisis for local councils. Other than written advice, is there any practical support given to councils to support them in that enforcement role?

STEPHEN BEAMAN: We've also got the local government air quality toolkit, which has been released to local governments. That's happened. That gives councils really good practical advice. Councils can always reach out to the EPA and we can always give them any sort of enforcement or technical assistance to help them get the outcome that we're all after.

TONY CHAPPEL: There's also a piece of behavioural research that we're conducting to share with councils to help them consider the best way to frame educational materials or other interventions at the household level.

STEPHEN BEAMAN: You raised this morning, too, the other thing we do to try to influence the national policy setting is the Australian standard. I think it's Australian standard 4013. That committee has got 27 bodies on it, and the NSW EPA is one of those bodies. We want to influence to get that committee to get any particulate pollution as low as possible.

The CHAIR: Can I go back to the gas decarbonisation road map? I think there's a commitment that there'll be something by next year. Does that sound right? I'm not sure who I'm asking.

KIM CURTAIN: It's probably me.

The CHAIR: I think the commitment was there'd be a plan road map by 2026. Is that right?

KIM CURTAIN: Yes, but there's also some work happening nationally on this so we're working out what is the right timing for the State versus the national work that's happening through the Energy and Climate Change Ministerial Council. I can come back on notice on exactly the timing and phrasing of that. I think we came out with the strategy that listed the gas decarbonisation strategy before that work started nationally, and particularly focused on what is the position of gas on the east coast, because it impacts a number of States.

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The CHAIR: So there's not currently work happening to develop that road map yet? It's more looking at what the—

KIM CURTAIN: There's work happening, but I think it's now I think falling into a couple of buckets. I just want to make sure I respond in the right way.

The CHAIR: Can I ask just a couple of things—and I'm happy for you to take them on notice. Is there consideration for incentives like those that are happening in Victoria for food processing and so on to help industrial sectors, which are potentially the most easy to electrify? Are these sorts of things on the table for any form of road map that might be developed in New South Wales?

KIM CURTAIN: I can come back on the specifics of that. We do have a number of other programs, though, that are specifically looking at assisting industry with electrification. Sometimes converting from gas to electricity is part of that. So there are other sort of programs we have that fall within that.

The CHAIR: Are we looking at incentives and are we looking at targets? I think it's just trying to get an indication of, if there is information now, where we're heading and what we're planning.

KIM CURTAIN: I'll take it on notice in terms of what we can say at the moment, because it is still in train.

The CHAIR: Mr Chappel, do you think the guide for large emitters has changed the way that new coal expansions are being assessed and determined in New South Wales now?

TONY CHAPPEL: I'm certainly confident it will, and I think it has already had a substantial impact, from what I understand.

The CHAIR: What are the main changes you think it will make?

TONY CHAPPEL: The mitigation hierarchy, for example, is a key component where proponents will work through how they can optimise things like haulage routes to avoid emissions. So avoidance will be very much a primary concern, including which seams proponents seek to attain approval to mine. Then I think the ability for proponents to consider pulling forward any incremental technological opportunities will also be explicit right up-front in the way a project is framed. I think we'll see significant benefits in terms of the emissions produced as a result.

The CHAIR: Do you anticipate at all, given the EPA is leading as the climate regulator in New South Wales, if a new coalmine was—I know this is a bit hypothetical. Do you think the guide is going to be used or implemented in a way that—if a mine proposal is not doing things that you view that it could do to mitigate and follow that hierarchy effectively, would the EPA be in a position to start objecting or will it just continue to be through negotiation and through persuasion?

TONY CHAPPEL: The Planning department will seek our advice on the way the proponent has sought to apply the—

The CHAIR: I think that's my question. In that advice, would you be in a position now with the guideline to say, "No, we object." Is that what we're likely to see in the coming term?

TONY CHAPPEL: I think something like that. We're already seeing the industry respond. In my interactions directly with various proponents, they're already demonstrating and seeking to demonstrate the way they have worked through, for example, that mitigation hierarchy in detail compared to the original scope that they might perhaps have been considering.

The CHAIR: Mr Lean, are you able to tell me if the development and the publication of the new establishment plan for the national parks—I think it's the National Parks Establishment Plan.

ANTHONY LEAN: Yes, the National Parks Establishment Plan.

The CHAIR: Is that a plan that's still underway?

ANTHONY LEAN: Yes. It's an election commitment that was made by the Government before the 2023 election. My understanding is that there is preliminary work underway in relation to that. Obviously, one of the key considerations is where we end up in terms of the Great Koala National Park. Naomi or Trish, can you add anything?

NAOMI STEPHENS: It might be for Trish.

TRISH HARRUP: Internal work has been underway looking at the bioregions and undertaking analysis to understand the current status of the reservation and to identify potential priorities and themes.

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The CHAIR: Is there a time frame on it? I feel like I asked this at the last two budget estimates. I appreciate they're big things, but I know it was an election commitment.

ANTHONY LEAN: It's an election commitment, so I'd expect that sometime before the next election.

The CHAIR: It's interesting, isn't it. I always thought an election commitment meant you get elected and you just do the thing. No criticism here to anyone—that was not intended. Are there any clues about—will the establishment plan set targets? I'm considering the idea of the high ambition coalition that has made—and we've done it nationally. We have said we'll protect 30 per cent of the nation's waters and lands by 2030. Is there anything that you can elucidate in terms of if we're looking at that kind of establishment plan, with percentages, and adding to the comprehensive, adequate and representative reserve system? Are there criteria? Is there something in it that you can share with us?

TRISH HARRUP: We're definitely looking at all the criteria that Parks would apply in assessing land and identifying whether it is a priority for inclusion in the national parks system. Whether or not the plan will include targets would be a decision for government. I think the other thing is that the reserve establishment plan will also interact with the nature strategy which is under development. Any direction or targets that are set through the nature strategy would feed into the reserve establishment plan.

The CHAIR: That leads to the next question. Where are we looking with the nature strategy? How is that going? I know the Minister is very committed to the nature strategy.

ALISON PEPPER: We've started doing some preliminary work on the development of the nature strategy. You will have seen in the *Plan for Nature*—as Ms Harrup was talking about, it's to guide both public and private investment. That is the interaction with the plan that Ms Harrup was talking about. The nature strategy is going to include goals and targets for conservation and restoration. We are doing work around looking at the information that we have around all of our biodiversity indicators and working across all of DCCEEW to do that. There is also a commitment in the plan for nature that we will consult with government experts and the broader public during the strategy development. We're not in a position where we're at a stage to consult. We're at the early development stages at the moment.

The CHAIR: Is there a time frame? Have you got even a vague time proposal?

ALISON PEPPER: I think that the plan for nature committed to it being a nature strategy and making that a legal requirement under the Biodiversity Conservation Act. The timing of that is a matter for government at the moment.

The CHAIR: Ms Giuliani, with the Biodiversity Conservation Trust, is there works happening within the—is there an acquisition program at all happening through the revolving fund?

ERIN GIULIANI: Yes. That program is a continual program. We're always on the lookout for properties that are for sale that meet our eligibility criteria. I'm happy to share anything you'd like to know about that.

The CHAIR: How many properties have been acquired in the last 12 months?

ERIN GIULIANI: I'm not sure if I've got the last 12 months. I know how many we've done in total. I might come back to you on that if I can. I've got the overall numbers, I'm afraid.

The CHAIR: If you could just do the last 12 months and then the 12 months previous, that would be very helpful.

ERIN GIULIANI: Sure. I'm happy to.

The Hon. JACQUI MUNRO: I'll be super quick. I was curious about what is happening in terms of the rollout of EV chargers and energy networks being able to directly own pole-mounted chargers. Is there an update on that?

KIM CURTAIN: There are a number of different programs we've got generally for rollout of chargers. Specifically for the distribution networks, a proposal has been released. We're looking into that and looking at doing some consultation.

The Hon. WES FANG: In relation to an article in *The Weekly Times* on 19 August, CEWH entitlements are being delivered through about 10 regulators and other works across the basin that do not comply with metering regulations. Apart from Toorale Station, are there any other regulators amongst those 10 which are operated by the Conservation Programs, Heritage and Regulation group, National Parks and Wildlife Service or any other organisation within the environment Minister's remit? What water regulators is the Minister responsible for? If

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you could provide some locations, model numbers and whatever details you've got on that, I would be very appreciative.

BRENDAN BRUCE: I might take that one on notice.

The Hon. WES FANG: That's exactly the answer I was looking for.

The Hon. JACQUI MUNRO: On the EV strategy and chargers, is there a deadline or timeline that you have for actually making a determination on that?

KIM CURTAIN: Not for making a determination. It's something where we've had different thoughts given to us from different parties, so we want to do a consultation before we make a decision.

The Hon. JACQUI MUNRO: So there's no timeline.

KIM CURTAIN: I can take on notice what the timeline is, but I don't have the specifics at the moment.

The CHAIR: Does somebody have the number on how many Aboriginal heritage impact permits have been granted in the last 12 months?

ELIZABETH OWERS: I do. We have it split down. If I go 2024-25, we have 72 AHIPs. We have 28 variations, eight AHIP surrenders and two AHIP transfers. We have five AHIPs we haven't accepted, and then we have nine AHIPs withdrawn.¹

The CHAIR: What's the main basis for a surrender?

ELIZABETH OWERS: Good question. I need to check with these ones. I'll take that on notice.

The CHAIR: Even just generally, what would the main basis for surrenders be? To you, Mr Lean, have you received or are there concerns about the wildlife carer sector and how things are being played out in New South Wales around the enforcement of the licences for wildlife carers?

ANTHONY LEAN: It's not something that has been raised with me, but I might ask Trish.

TRISH HARRUP: Not specifically that I'm aware of. We do license the wildlife rehabilitation sector.

The CHAIR: There's a current review that's being undertaken. Is the department providing assistance for that current review that's being undertaken?

TRISH HARRUP: Yes. The review is being led by the Parliamentary Secretary and the department is providing support for that. There have been a number of public consultations, and there will be a report due to be delivered to the Minister in October.

The CHAIR: We're now in Government time.

The Hon. CAMERON MURPHY: Do any of the witnesses have anything else they want to add?

ANTHONY LEAN: I just want to clarify one thing. Mr Ruddick referenced the discrepancy between the Commonwealth and the New South Wales data. We haven't been able to match the numbers that Mr Ruddick referred to, but if you'd like to give us some more specific information, we'll certainly endeavour to respond to that.

KIM CURTAIN: I also have some updates for Ms Munro on the heat pumps and solar for apartments. There are a number of different programs that have heat pumps involved. In industrial heat pumps, there's currently one program open that's a \$1 million feasibility grant program, which is for eligible businesses to conduct heat pump screening or detailed feasibility studies. That one is open until 25 October. We've previously run a pilot of this with about \$300,000 and, under that, we've already funded 30 heat pump screening studies and eight feasibility studies. Heat pumps are also eligible under our High Emitting Industries fund although, at the moment, we haven't had any applications for that. That's eligible to the highest emitting industries.

In addition, in consumer heat pumps, heat pumps are eligible under the Energy Security Safeguard. This is also supported by a safeguard acceleration program. Whilst they're not grants as such, they support heat pumps. At the moment we've awarded around \$3 million to accredited providers to deliver incentives to households to install heat pumps, of which about \$521,000 has been spent so far and delivered 640 installations, and

¹ In [correspondence](#) to the committee dated 11 September 2025, Ms Elizabeth Owers, A/Executive Director, Heritage NSW, clarified their evidence.

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\$570,000 has been given to accredited providers to install commercial and industrial heat pumps through that same program.

On top of that, there's also the Social Housing Energy Performance Initiative, which we're doing with the Commonwealth. In total it's \$175 million. Heat pumps is one of a series of activities that can be done under that program. The latest information we've got is up to 24 December. At that point, 235 heat pumps had been installed. About \$1.38 million was spent on the heat pumps themselves, plus a little more if you count the installation costs on top of that. The information that we've got is that the total figures overall of heat pumps that have been installed are around 5,000—or just under 5,000—in households and about 1,800 in businesses, mainly small businesses. That was in financial year 2024-25.

Separately for solar for apartments, you asked about that 55-lot threshold. That cap is in place because the solar for apartments—or SoAR, as we call—program is designed to particularly target medium-density buildings, between three and 55. This is where the size and complexity of the solar systems remain practical and cost effective. What they've found is larger apartment complexes often lack sufficient roof space for an appropriately sized solar system to deliver an economic payback. In the program, they look at a 10-year program time frame. Also, the technical advice we've received is that, for the larger systems, they need to have more expensive kit around the inverters that they require and the central protection systems needed, which adds a lot of cost and complexity. This is a \$25 million program. Given that 75 per cent of our strata are 10 lots or fewer, capping it means that we can reach a lot more apartments in total through the program.

BRENDAN BRUCE: Chair, I also have one. It's a follow-up to the Minister's earlier answer to Mr Fang's question around whether there had been any previous stop-work orders at Toorale. There was a stop-work order issued by NRAR in August 2022. It related to the flows into the Warrego dam and also the provision of some real-time data. It was revoked by NRAR in late September—the following month—following the department's full compliance with the order.

The Hon. WES FANG: That was 2022, did you say?

BRENDAN BRUCE: August 2022.

ELIZABETH OWERS: I have one more, on AHIPs. I've got a very good team that has turned it around really quickly. There are a number of reasons why they would be surrendered: for example, the project is no longer going ahead, works have finished early, it's no longer required or the proponent is rescoping the project and is withdrawing it to then put in a new, more comprehensive permit.

TRISH HARRUP: I have the Manly little penguin figures if you'd like those.

The CHAIR: I do want them, but I feel they're sad. Please do.

TRISH HARRUP: In 2022-23 there were 29 breeding pairs. In 2023-24 there were 19 breeding pairs with 39 eggs and 37 fledglings. There were 19 active nests. Then, in 2024-25, that was 15 breeding pairs, 36 eggs and 29 fledglings.

The Hon. CAMERON MURPHY: I thank all the witnesses for their evidence and say there are no more Government questions, Chair.

The CHAIR: Fantastic. I too, on behalf of the Committee, say thank you very much to all of you. We are very grateful. We know how much time and effort goes into this, and it takes you away from the day that you would have had otherwise. We are very, very grateful. As you know, if there are further questions that were taken on notice that haven't been responded to, the tremendous secretariat will be in touch with you in due course. Thank you, all of you. I hope you have a good evening.

(The witnesses withdrew.)

The Committee proceeded to deliberate.