

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Tuesday 2 September 2025

Examination of proposed expenditure for the portfolio areas

FINANCE, DOMESTIC MANUFACTURING AND GOVERNMENT PROCUREMENT, AND NATURAL RESOURCES

CORRECTED

The Committee met at 9:15.

MEMBERS

The Hon. Jeremy Buckingham (Chair)
The Hon. Robert Borsak (Deputy Chair)
Ms Abigail Boyd
Ms Cate Faerhmann
The Hon. Dr Sarah Kaine
The Hon. Stephen Lawrence
The Hon. Sarah Mitchell
The Hon. Cameron Murphy
The Hon. John Ruddick
The Hon. Damien Tudehope

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

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The CHAIR: Good morning, everyone. Welcome to the sixth hearing of the Portfolio Committee No. 1 - Premier and Finance 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 acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Jeremy Buckingham. I am Chair of the Committee. I welcome Minister Houssos and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Finance, Domestic Manufacturing and Government Procurement, and Natural Resources.

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

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

Mr PHIL MINNS, Deputy Secretary, Chief Commissioner of State Revenue, and Commissioner of Fines Administration, Revenue NSW, sworn and examined

Ms GEORGINA BEATTIE, Deputy Secretary, NSW Resources, Department of Primary Industries and Regional Development, affirmed and examined

Mr MICHAEL GADIEL, Deputy Secretary, Procurement Reform and Banking, NSW Treasury, on former affirmation

Mr CULLEN SMYTHE, Executive Director, Technical and Advisory Services, Commissioner of State Revenue, Revenue NSW, sworn and examined

Ms JAMIE TRIPODI, Acting Executive Director, NSW Resources Regulator, Department of Primary Industries and Regional Development, affirmed and examined

The CHAIR: Thank you very much. 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'll hear from departmental witnesses from 2.00 p.m. to 3.30 p.m. We'll then have a 15-minute break before resuming questioning from 3.45 p.m. to 5.30 p.m. During these sessions there will be questions from the Opposition and crossbench members only and then 15 minutes allocated for Government questions at 10.45 a.m., 12.45 p.m. and 5.15 p.m. We'll begin with questions from the Opposition.

The Hon. DAMIEN TUDEHOPE: Good morning. Thank you, Minister.

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

The Hon. DAMIEN TUDEHOPE: Minister, have either you or any member of your staff, to your knowledge or the best of your recollection, ever sought the personal information of a taxpayer from Revenue?

The Hon. COURTNEY HOUSSOS: At no time have I ever requested information from Revenue NSW that didn't strictly accord with my role as Minister.

The Hon. DAMIEN TUDEHOPE: In relation to your staff, to the best of your knowledge or recollection?

The Hon. COURTNEY HOUSSOS: To the best of my knowledge, no.

The Hon. DAMIEN TUDEHOPE: No member of your staff?

The Hon. COURTNEY HOUSSOS: To the best of my knowledge, no.

The Hon. DAMIEN TUDEHOPE: Minister, when was the payroll tax threshold last increased? And to what amount?

The Hon. COURTNEY HOUSSOS: Thank you, Mr Tudehope, for a question in relation to payroll tax—obviously undertaking some work in the inquiry into payroll tax at the moment. The payroll tax threshold, from recollection, has moved around a little bit. It did under your Government. But, in regard to specifics, I might have to take that on notice. Actually, I could probably pass to any number of the esteemed public servants who are accompanying me today.

The Hon. DAMIEN TUDEHOPE: So you don't know when it was.

The Hon. COURTNEY HOUSSOS: When it was last lifted?

The Hon. DAMIEN TUDEHOPE: Yes, the threshold.

The Hon. COURTNEY HOUSSOS: I couldn't tell you off the top of my head. I have probably got it here. I can tell you when it was frozen, Mr Tudehope. I can tell you when the threshold was—

The Hon. DAMIEN TUDEHOPE: That's okay. Mr Coutts-Trotter will probably have—

MICHAEL COUTTS-TROTTER: 2020 or 2021.

The Hon. DAMIEN TUDEHOPE: It's not a pop quiz. In any event, to assist you, it was lifted to \$1.2 million—I think is the current threshold—in July of 2020. Minister, you'd be aware, of course, of the effect of inflation on the value of money. What do you say—best guess—\$1.2 million in 2020, 2021 is worth in dollar terms today?

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The Hon. COURTNEY HOUSSOS: You just said it's not a pop quiz, Mr Tudehope. I'd be happy to say to you—

The Hon. DAMIEN TUDEHOPE: This is a bit more specific.

The Hon. COURTNEY HOUSSOS: I'd be happy to say to you, to make the point, that it was your Government that froze the payroll tax threshold. It was your Premier, Mike Baird, who froze that tax threshold. And we haven't made any changes to the overall threshold—

The Hon. DAMIEN TUDEHOPE: In 2020, I don't think it was Premier Baird.

The Hon. COURTNEY HOUSSOS: I'm not saying that it was in 2020. I'm saying that he removed the indexation of the threshold in—from recollection, I think it was about 2013 or 2014.

The Hon. DAMIEN TUDEHOPE: Indeed. It's \$1.2 million, and it was lifted to that in 2020. The specific question is, in today's terms, given inflation is what it is, what is \$1.2 million, taking into account inflation today?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I can tell you that the rate is 5.45 per cent. If you'd like detailed calculations or Treasury modelling, you are welcome to request that from NSW Treasury.

The Hon. DAMIEN TUDEHOPE: Would you accept that there is an RBA inflation calculator which suggests that in 2024-25 it would be worth about \$1.43 million? Would you accept that?

The Hon. COURTNEY HOUSSOS: I'll take it in good faith. I'd probably want to go and check the calculations or ask some of our esteemed public servants in NSW Treasury to check it.

The Hon. DAMIEN TUDEHOPE: I'm happy for you to do that. That's, effectively, a 19.3 per cent inflation over the four financial years. Would you accept that?

The Hon. COURTNEY HOUSSOS: I'm not going to accept the—you can put out figures like this, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: You're welcome to do—

The Hon. COURTNEY HOUSSOS: Do you have a substantive policy question for me?

The Hon. DAMIEN TUDEHOPE: What modelling do you say the Minns Government has done on increasing the payroll tax threshold to take account of this high level of inflation and the resulting impact on payroll tax for small business?

The Hon. COURTNEY HOUSSOS: I would, at the outset, say I acknowledge that about 40,000 businesses across New South Wales pay payroll tax. But, Mr Tudehope, when we are talking about the pressures on businesses, it is worthwhile noting that there might be 40,000 that pay payroll tax, and there are 340,000 who pay workers compensation premiums. So this Government is pursuing a reform program for the biggest single increase in cost, and that is a reform program that you, Mr Tudehope, are blocking.

The Hon. DAMIEN TUDEHOPE: No. I'd have to suggest that you're blocking it, Minister, because we're happy to pass the bill. Just excise the provisions where you are taking money and benefits from really seriously injured workers, and we'll pass it tomorrow.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, you could talk to any of your colleagues—

The Hon. DAMIEN TUDEHOPE: Minister, just in relation to payroll tax, how many more businesses do you anticipate will be liable for payroll tax in 2025-26 who did not pay payroll tax in 2024-25?

The Hon. COURTNEY HOUSSOS: I'm happy to take that one on notice or perhaps even pass over to Revenue NSW.

The Hon. DAMIEN TUDEHOPE: Mr Minns, do you have any—

The Hon. COURTNEY HOUSSOS: As I said, 40,000 New South Wales businesses pay payroll tax. That is fewer than 10 per cent of the businesses in New South Wales.

The Hon. DAMIEN TUDEHOPE: Mr Minns or Mr Smythe, you don't have any modelling in relation to that?

PHIL MINNS: No, I do not.

The Hon. DAMIEN TUDEHOPE: Perhaps you might take that on notice and provide the Committee with an answer as to the potential for new businesses to pay payroll tax.

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The Hon. COURTNEY HOUSSOS: I make this point, Mr Tudehope. If there are additional businesses paying payroll tax, that implies that they are expanding and that they are employing more people or they are paying their workers more, all of which are good outcomes, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: No, Minister. It potentially suggests that the threshold has not moved and more businesses are being caught. Isn't that what it suggests? Treasury documents use a figure of 1,285 extra businesses each year becoming liable for payroll tax due to a combination of inflation, higher wages and business growth. Do you think it is good for the economy for more small businesses to become liable for payroll tax? Is that your policy position?

The Hon. COURTNEY HOUSSOS: I would make the point that payroll tax is an important revenue stream for the New South Wales Government. From memory, it contributes about \$12 billion as part of our budget. So, yes, it is an important revenue stream. The final point that you made there in your question, Mr Tudehope, is if businesses are growing and if they are paying their workers more, then that means they will be paying payroll tax. But I make this point again, Mr Tudehope. If you go around to the chambers of commerce, as the Premier, the Treasurer and I are speaking to business groups at the moment—

The Hon. DAMIEN TUDEHOPE: I have.

The Hon. COURTNEY HOUSSOS: —the biggest complaint that they have is the workers compensation premiums and the increases that they are going to face—

The Hon. DAMIEN TUDEHOPE: That's easily solved, Minister, if your Government would not strip seriously injured workers of their entitlements. But that's a matter for you. You could make savings in relation to workers compensation very easily if, in fact, you acknowledge that it is not a good policy position to take money from seriously injured workers, but I'll return to that very shortly with you, in any event. Minister—

The Hon. STEPHEN LAWRENCE: Point of order: This is not really an opportunity for lengthy speeches. It's an opportunity for questions.

The Hon. DAMIEN TUDEHOPE: The Minister just gave one.

The Hon. Dr SARAH KAINE: Yes, the Minister can. You can't.

The Hon. STEPHEN LAWRENCE: She's entitled to.

The CHAIR: I uphold the point of order. That's what she's here to do, which is to give answers.

The Hon. DAMIEN TUDEHOPE: But she asked me a question.

The CHAIR: We should avoid commentary and making statements and restrict ourselves to asking questions, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Minister, you received the first quarterly report to the Procurement Board on local market testing under Procurement Board Direction 2024-02 on 20 May 2025. Correct?

The Hon. COURTNEY HOUSSOS: I don't have that exact date in front of me, but it's true that the first quarter has been received.

The Hon. DAMIEN TUDEHOPE: And it was finally made public on 14 August 2025?

The Hon. COURTNEY HOUSSOS: I'll accept those dates from you, Mr Tudehope. I don't have those in front of me.

The Hon. DAMIEN TUDEHOPE: Why did it take three questions in question time, two supplementary questions for written answer, one question on notice, an order for papers, an arbiter's determination on your absurd privileges claim and a resolution of the House before this occurred?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I'm happy to answer your questions in relation to our "if not, why not" policy.

The Hon. DAMIEN TUDEHOPE: Well, that's the question.

The Hon. COURTNEY HOUSSOS: I would say that this is a new policy that we have introduced that I issued as the Minister. It's part of the way that we are rebuilding our government procurement system at the centre. As I've said to you previously, as I've said at length, this is a first initiative to remove barriers to inhibit the growth and the development of local industries. This is in its very, very early stages, Mr Tudehope. This is the very first quarter of reporting, and you would be aware, as a former finance Minister, that the contracts that are captured by this policy are contracts over \$7.5 million. There are very few of those contracts that would be issued and executed within a one-quarter period.

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The Hon. DAMIEN TUDEHOPE: Let me just go back. It is now a public document. Is there anything contained in that document which prevented it from becoming public on 20 May 2025?

The Hon. COURTNEY HOUSSOS: Sorry, which document are you speaking about, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: The report in respect of local market testing under PBD 2024-02, which you received on 20 May 2025. Is there anything in that document which you say prevented it from becoming a public document on that day?

The Hon. COURTNEY HOUSSOS: I don't have a copy of that document in front of me, Mr Tudehope. If you'd like to table a copy, I'd be happy to provide reflections on the document, but I don't have the document in front of me.

The Hon. DAMIEN TUDEHOPE: I'll arrange for that later. But it is an astonishing thing, isn't it? You claimed privilege in relation to it. The arbiter considered the privilege. There was nothing privileged in relation to that document. There were three questions which were asked in the House about it, all of which elicited a response. Effectively, Minister, what you're telling us is that there was an attempt by you to hide that document. I just ask you why.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I'm happy to answer your questions. You've asked me three—

The Hon. DAMIEN TUDEHOPE: Why did you try to hide the document?

The Hon. STEPHEN LAWRENCE: Point of order: There are two points of order. The first is that question had already been answered, with a request for the document. I don't think it's really courteous in the circumstances just to put the same question. But then when the Minister was attempting to answer it notwithstanding, she was immediately cut off.

The CHAIR: I won't uphold the point of order. The honourable member is entitled to repeat the question if he sees fit; that is not discourteous. But he should give the Minister the opportunity to reply in full.

The Hon. DAMIEN TUDEHOPE: Is there something in that document you were trying to hide, or was it just an attempt to be obstructive and avoid transparency?

The Hon. COURTNEY HOUSSOS: No, I completely reject the premise of your question, Mr Tudehope. You would know that it's up to the Government to decide when and how data is distributed. I'd make this point: Under your watch, your Government disputed plenty of claims of privilege, and we can go through those. If you have a specific question in relation to that document that is front of you—

The Hon. DAMIEN TUDEHOPE: I do.

The Hon. COURTNEY HOUSSOS: —that I don't have a copy of—

The Hon. DAMIEN TUDEHOPE: It's a public document now, Minister.

The Hon. COURTNEY HOUSSOS: —then I would request that you would provide me with a copy of that document. That's just a common courtesy—

The Hon. DAMIEN TUDEHOPE: Well, it's your document.

The Hon. COURTNEY HOUSSOS: That's a common courtesy that we usually undertake in these kinds of hearings. If you haven't been organised, Mr Tudehope, to bring copies with yourself, then perhaps you can ask the Committee clerks to provide a copy and you can table it.

The Hon. DAMIEN TUDEHOPE: Minister, perhaps you'll organise for an official to bring one in for you.

The CHAIR: Order!

The Hon. DAMIEN TUDEHOPE: Perhaps you'd be better organised to bring one.

The CHAIR: Order! Mr Tudehope, if we could avoid interjections. The Minister was answering.

The Hon. DAMIEN TUDEHOPE: Minister, you've now received the second quarterly report, have you not, covering the period of April to June 2025?

The Hon. COURTNEY HOUSSOS: No, I haven't received that report yet, Mr Tudehope. There's still at least one agency that I'm aware of that hasn't completed that reporting.

The Hon. DAMIEN TUDEHOPE: When do you anticipate receiving that?

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The Hon. COURTNEY HOUSSOS: I'm happy to take that one on notice. I know that the work is ongoing. I'd make this point, as I did earlier, which is that this is new reporting that we are asking government departments to do. It's part of the process of us rebuilding our local capacity and encouraging more of our government procurement spend to be spent locally. You know, Mr Tudehope, that \$42 billion is spent by the New South Wales Government each and every year, and we want New South Wales government agencies and departments to be looking locally. That's what this policy is focused on. This policy also requires government agencies and departments to start to collect data in a way that they haven't had to do that before, and I'd really thank the government agencies and departments for the work that they are doing to collect this data. It is important that that work is undergoing.

The Hon. DAMIEN TUDEHOPE: Which agency is missing?

The Hon. COURTNEY HOUSSOS: I might just take that on notice, because I've got it in the back of my mind, but I don't want to mislead the Committee. If I've got the information correct, then I'll get it to you later in the hearing.

The Hon. DAMIEN TUDEHOPE: So there is an agency missing. You know that.

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. DAMIEN TUDEHOPE: You just can't identify which one it is. Is that what you're saying now?

The Hon. COURTNEY HOUSSOS: No, I'm saying that I receive regular briefings on these, Mr Tudehope, as you would expect. Before naming agencies—actually, I'd make this point. I don't really want to—I've just thanked government agencies and departments for the work that they're doing. This is a new and a different way of doing procurement, as opposed to how you ran procurement, Mr Tudehope, of sending billions of dollars and thousands of jobs offshore.

The Hon. DAMIEN TUDEHOPE: That's not the question. Which agency—

The Hon. COURTNEY HOUSSOS: What we are doing is we are asking agencies and departments to look locally for a local supplier. This is, I would say, a relatively small but a significant change in the way that we want government agencies to do that. This is only the second quarter of collection, and we will certainly work through the collection of the data as we work through processing the data. This is a question—

The Hon. DAMIEN TUDEHOPE: So later today will you confirm which agency has not in fact—

The Hon. COURTNEY HOUSSOS: If I'm able to get that information for you, Mr Tudehope, then I will.

The Hon. DAMIEN TUDEHOPE: But you've identified that it is one. When will you provide—

The Hon. COURTNEY HOUSSOS: No, Mr Tudehope, you don't get to put words in my mouth.

The Hon. SARAH MITCHELL: That's what you said.

The Hon. DAMIEN TUDEHOPE: You said—

The Hon. COURTNEY HOUSSOS: I said I am aware of one. There may be more than one. I am saying to you—I'm answering your questions with the best of my knowledge, and I'm telling you that, to my recollection, there is one, but we are in the process of collating the data. The Treasury is doing plenty of work. The departments and the agencies are doing plenty of work in order to collate this data.

The Hon. DAMIEN TUDEHOPE: Let me ask you about that.

The Hon. COURTNEY HOUSSOS: Just to be clear, Mr Tudehope, you never required government agencies to collect this data when you were in a position in this chair to actually make those decisions.

The Hon. DAMIEN TUDEHOPE: Minister, you're the Minister.

The Hon. SARAH MITCHELL: Two years, three budgets.

The Hon. DAMIEN TUDEHOPE: We're all adults here. You're the Minister now. Minister, just in relation to the reporting, what is the roadblock which would prevent an agency from reporting on contracts over \$7½ million? What is the roadblock?

The Hon. COURTNEY HOUSSOS: I don't have that information for you, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Have you asked?

The Hon. COURTNEY HOUSSOS: I don't have that information for you today.

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The Hon. DAMIEN TUDEHOPE: Have you asked?

The Hon. COURTNEY HOUSSOS: I'm happy to take that on notice for you.

The Hon. DAMIEN TUDEHOPE: What are the impediments for reporting on time?

The Hon. COURTNEY HOUSSOS: There is a range of issues. These are entirely new things because your Government had a default of pushing contracts and jobs offshore. We're trying to rebuild local manufacturing and spend more of our government procurement spend here, but that's not a light switch that we simply turn off and turn on. Consistently what we are hearing is that the need to build local supply chains requires time and requires certainty, and that's not something that your Government provided.

The Hon. DAMIEN TUDEHOPE: How many contracts in the first report do you say were covered by the provision?

The Hon. COURTNEY HOUSSOS: Sorry?

The Hon. DAMIEN TUDEHOPE: How many contracts were disclosed in the first reporting period?

The Hon. COURTNEY HOUSSOS: You have the document in front of you.

The Hon. DAMIEN TUDEHOPE: How many do you say there were?

The Hon. COURTNEY HOUSSOS: There were three contracts that were awarded to New South Wales suppliers.

The Hon. DAMIEN TUDEHOPE: That's three. It's not a big task, Minister.

The Hon. COURTNEY HOUSSOS: Yes, but we do expect that this number would grow over time.

The Hon. DAMIEN TUDEHOPE: Maybe the problem is that there isn't a big procurement pipeline that your Government in fact is engaging on. Can I ask you this—

The Hon. COURTNEY HOUSSOS: No, Mr Tudehope, I'm going to stop you there. There's \$42 billion that the New South Wales Government spends each and every year. This is a new requirement for government agencies and departments to implement in order to address the way that you sent billions of dollars and thousands of jobs offshore.

The Hon. DAMIEN TUDEHOPE: There were three contracts in the first period—over \$7½ million.

The Hon. COURTNEY HOUSSOS: Exactly, and the point I made at the outset, Mr Tudehope—maybe you didn't hear me when I said this, and you should be aware of this as a former finance Minister—was that contracts over \$7.5 million, which are captured by this policy, often take more than a quarter to execute. We expect that over time there will be additional contracts in relation to this.

The Hon. DAMIEN TUDEHOPE: Minister, when will you change procurement policy to give effect to your election commitment to apply a minimum 30 per cent weighting to New South Wales government tenders worth more than \$7.5 million that captures local content, local job creation, and small business and ethical supply chains?

The Hon. COURTNEY HOUSSOS: I don't have an announcement in relation to a timeline on that today. What I can assure you, Mr Tudehope, and the community of is that the work on our local content policy is ongoing. This is an important body of work, and we do have some specific contracts that are out already with local content requirements. But, again, this is an entirely new capability that we are setting up across government, and it is taking some time to do that. But I also take this opportunity to really thank both the government departments and agencies that are providing feedback as we develop this policy and this new capability in government. I'd also really like to thank the business community, the unions and other industry experts that we've been consulting as we draft this policy.

The Hon. DAMIEN TUDEHOPE: Are you able to at least tell us whether this weighting will be in addition to the existing weighting under the SME and regional policy that apply to all goods and services contracts valued at \$3 million or more of 10 per cent for SME participation and 10 per cent for support of the New South Wales Government's economic, ethical, environmental and social priorities? Is it in addition to that or does it encompass those things?

The Hon. COURTNEY HOUSSOS: You highlight a really good point, Mr Tudehope, and that's something that we are actively considering at the moment. You would be aware that tenders are released by a range of different government agencies. They are different and diverse, and as we work through whether we retain those particular policies or how we implement our own, we're doing that carefully, we're doing that methodically,

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and we're doing that in partnership, as I said, with industry, with the union movement and with business and also across government. It is taking some time because it is a new capability that was not done under your Government.

The Hon. DAMIEN TUDEHOPE: And I have to say the case, Minister, is it was a key election commitment.

The CHAIR: Thank you, Mr Tudehope. Thank you very much. You don't have to say, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: You're not even able to clarify what it means.

The CHAIR: Minister, do you know if the Port Kembla Energy Terminal, PKET, will be importing gas from 2027 as Squadron Energy has claimed?

The Hon. COURTNEY HOUSSOS: I'm not aware of the exact timeline of that, Mr Buckingham. I know there have been some developments in relation to that, and there are ongoing questions about the east coast gas supply. I think even in the newspaper today AEMO was talking about east coast shortages by 2029.

The CHAIR: When hasn't AEMO spoken about east coast gas shortages?

The Hon. COURTNEY HOUSSOS: I'm not aware of that. I'd have to take that one on notice.

The CHAIR: What are the developments that you referred to that have occurred regarding the Port Kembla Energy Terminal?

The Hon. COURTNEY HOUSSOS: I would talk about the developments that have been publicly canvassed in relation to that, but really the questions in relation to those would probably be best directed to Minister Sharpe. You would be aware that gas is going to play an ongoing role as we bring more renewables online, but that's really something that's being led by Minister Sharpe.

The CHAIR: Regardless of how soon imports start, the import terminal is already built, will be highly flexible and will be able to dial up imports up and down based on demand. Given this, do you think this facility will be more complementary to gas demand reduction efforts in New South Wales than a new onshore production project in the Pilliga?

The Hon. COURTNEY HOUSSOS: That's a really good question. As I said to you earlier, I know AEMO is projecting gas shortages across the east coast by—I read this morning it was 2029; I had previously read it was 2028. I think these are important considerations and questions, but they are largely considerations that I'm doing in consultation with Minister Sharpe. This is where our two portfolios obviously intersect, and that's something that we've talked about previously, Mr Buckingham, which is I have responsibilities as the Minister for Natural Resources and Minister Sharpe as the Minister for Energy has different responsibilities. But I take this opportunity to say we work closely together and collaboratively because we think it's really important that we have a united approach.

The CHAIR: Has the Santos Narrabri Gas Project passed all regulatory approvals now?

The Hon. COURTNEY HOUSSOS: It has received planning approval, as you would be aware, by the Independent Planning Commission. One of the important things to note is that as part of that approval process, it will be required to be used for domestic use. That's a requirement that we would take seriously. In relation to the latest, you would be aware that this has been an ongoing matter through the National Native Title Tribunal, and so the New South Wales Government has given an undertaking to the appellant that we will not determine the petroleum production licences without providing prior notice and supporting reasons for the decision. The National Native Title Tribunal determination was made on 16 June, and, as I said, it's currently subject to appeal proceedings in the Federal Court. The State is a listed party, so I'll be careful about what I say, but I think that's important information to update the Committee with.

The CHAIR: Is it still the Government's position that you oppose the Narrabri Gas Project?

The Hon. COURTNEY HOUSSOS: No. We've talked about that here previously, Mr Buckingham, which is that we went to several elections opposing the Narrabri Gas Project. It then passed through the planning and approval process and received approval by the IPC, so our position that we took to the 2023 election was that we would allow that approval to stand and we support the project.

The CHAIR: Minister, the Premier commented recently that countries buying our coal have "all indicated to us that they'll be buying less of it in the future"—coal—"to the point where they don't buy any of it at all". When did the countries who buy our coal say this to the Premier, and in what context did they say this?

The Hon. COURTNEY HOUSSOS: That's really a question for the Premier in relation to what they said to him. What I can tell you is that I engaged consistently, particularly with our key trading partners, in order to

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ascertain what their sort of horizons are. Japan has recently released a new energy policy. The deputy secretary could give you probably some more terminology around it, but we certainly—our Government and I personally—engage consistently with those key trading partners. One of the things you would be aware, Mr Buckingham, that we have done is map, for the first time, the existing planning approvals for existing coalmines that are currently in operation. That's really to aid our work as we begin the process of establishing our Future Jobs and Investment Authority. Those time horizons are—I think I might have it here. Sorry, I'm just looking for that.

The CHAIR: I'll get to the Future Jobs and Investment Authority a little bit later. When do we expect Japan to stop buying our coal? Japan's our biggest market. When do we expect them to stop buying our coal?

The Hon. COURTNEY HOUSSOS: We do expect that to be for several decades to come. The existing information, as part of the Future Jobs and Investment Authority time horizon, we've looked to is 2050. That's sort of the time horizon that we are expecting there will continue to be jobs supported within that industry.

The CHAIR: As you know, John Barilaro's strategic statement of coal was published with no public consultation more than five years ago, in June 2020. It remains Government policy. In your view, what has changed since 2020 that's relevant to the Government's current views on coal policy in New South Wales?

The Hon. COURTNEY HOUSSOS: I'd say that there's a large number of things that have changed since then. Most significantly, I would say that there's a new Government, and we have commenced the work, as I've said to you previously, about updating that particular statement. I've also made the point that we'll do this collaboratively. I said earlier that I work closely with Minister Sharpe, and that's something that we're considering with both parts of her portfolio, but I'm consulting more broadly across government in relation to that. Thermal coal is a key part of our electricity network.

It's a key part of our export markets, and the royalties are a key source of income to the New South Wales Government. But, as you quoted the Premier earlier, this will not go on forever. We've begun that process of planning for the future. There are a range of key things that have changed; most significantly, I would say, is that we have legislated our net zero requirements, that we've now got a Net Zero Commission, and we're working collaboratively to utilise the information that commission is collating as part of that process.

The CHAIR: You say you've begun the work on updating the strategic statement on coal. When will you conclude it? Can the New South Wales community expect you to have a new policy document before the next State election? What's the timeline for that?

The Hon. COURTNEY HOUSSOS: That's the timeline that I've outlined previously, which is that we would do it over the course of this term of government. I'd make this point, Mr Buckingham: We are doing it in a different way to the previous Government. As I said to you, we've mapped those existing coalmine planning expiry dates so that we can start the work on our Future Jobs and Investment Authority. We're working closely with our Federal counterparts and their Net Zero Economy Authority to make sure that we don't have duplication between those two particular organisations. But this is going to be a big part of the work that we're doing, and it's certainly a big part of the work that I'm undertaking at the moment.

The CHAIR: Where are we up to with the Future Jobs and Investment Authority? I thought it was "authorities"?

The Hon. COURTNEY HOUSSOS: No, this is the important announcement that we made as part of the budget—that I went up to the Hunter and made on the site of the former coalmine at West Wallsend with a number of my Hunter colleagues. I'd take this opportunity to thank all of my colleagues from the coal-producing regions for the feedback they've given, and the broader community. We've gone through a pretty extensive process in engaging with the community in relation to this. The Future Jobs and Investment Authority, as part of the budget I announced that there will be \$27.3 million in funding over four years to establish it. We're going to start with the Hunter region and the Central West. I know that's something that we've spoken about, Mr Buckingham, just given the time horizons for the Central West and the reliance on coal in that particular part. That's really the first part, and we're going to be working—and we have been working—closely with the NZEA as we roll that out.

The Hon. ROBERT BORSAK: Welcome, Minister Houssos. Minister, I'd like to ask some questions about the independent review into small-scale titles. In late April you travelled to Lightning Ridge and White Cliffs to speak to opal miners and landholders. I'm aware that the reviewer, Terry Sheahan, AO, handed down 81 recommendations as part of his report, including recommendations, as your own media release says, to balance stakeholder rights and responsibilities, improve rehabilitation and environmental outcomes, update costs and compensation, improve understanding and usability of the legislative framework, and modernise the administration of the minerals claims. We're currently almost five months from the visit, yet there has been no recent information on the progress of the response from your department. Minister, can you tell us where the Government is up to, and when we can get a report on the information received from that trip?

CORRECTED

The Hon. COURTNEY HOUSSOS: That was the second visit that I'd made to Lightning Ridge. On both visits I have consulted with the local opal mining associations. Actually, I'd like to thank the White Cliffs Miners Association for travelling across to meet with me as well. I also met with local landholders and with the Crown Lands trust. On this particular visit I had the opportunity to go out actually way past Lightning Ridge to Glengarry and Grawin and Sheeppark out there, and just sort of visit—we passed by the Pubs in the Scrub. The deputy secretary accompanied me. It was a great opportunity for me to engage, again, now that we've had the review. My first visit was really about the initial stages of—you would be aware, Mr Borsak, we had to reissue, or I had to reissue, those titles that had been incorrectly issued under the previous Government.

It was a huge shock to the local community to stop opal mining. It was clear from that visit that there were a lot of issues that had just been neglected for too long, so, as a result of that, we engaged with the review process. You mentioned that there are 81 recommendations. There's a broad range of work that's going to be required. The purpose of my second visit was really to engage on those recommendations as we formulated the policy. There's been a couple of things that the department has done as a result of that visit, which Ms Beattie might be able to provide you with a bit more detail on, around an education campaign and some compliance action that's being done.

We've also made some changes in relation to the way that titles are issued and renewed—sorry, it's the renewal, not the issuing of titles. I'd just make this point, Mr Borsak: It's a relatively small part of our overall mining industry, but it's one that is crucial for the Lightning Ridge and White Cliffs communities. There are really deeply held views there. I'd also take this opportunity just to thank the Hon. Stephen Lawrence for the work that he's done in helping engage with the local community, engage with the different various stakeholders, and ensure that all of their views are held. There's no doubt that when we release the Government response—

The Hon. ROBERT BORSAK: Minister, has Mr Lawrence been down a mine?

The Hon. COURTNEY HOUSSOS: I understand he has.

The Hon. STEPHEN LAWRENCE: He has; it's true.

The Hon. COURTNEY HOUSSOS: I think he sent me some videos of him—

The CHAIR: Chris Minns sent him down one.

The Hon. ROBERT BORSAK: Minister, are we going to get a report?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. ROBERT BORSAK: When are we likely to get that?

The Hon. COURTNEY HOUSSOS: I'd just say, this work is underway. It's been underway for some time, but there are a range of complex recommendations there that we're just working through. But we expect that we'll have something to say before the end of the year.

The Hon. ROBERT BORSAK: What facts and information can you give us now in relation to what you gleaned from the visits to White Cliffs and Lightning Ridge?

The Hon. COURTNEY HOUSSOS: I didn't go to White Cliffs. I haven't had that opportunity yet. Like I said to you, that was my second visit to Lightning Ridge. It was a great opportunity, as I said, not just to engage with the local stakeholders but also to get out beyond Lightning Ridge and particularly see the mullock heaps and some of the challenges faced. It was certainly raised with me by the landholders afterwards. As I said, we launched an education campaign and some compliance action off the back of that. Ms Beattie can provide you with a bit more detail on that.

GEORGINA BEATTIE: Thank you, Minister. In response to the independent review and our continuing work on opals, the department has been continuing to work with miners and landholders around the regulation of opal mining. With compliance and enforcement, we have really been focusing on education about the need to rehabilitate and understanding the requirements and obligations under the Mining Act. Recently, the Resources Regulator had an education campaign, where we had people in the field visiting mine sites working with miners to make sure they understand those obligations. We've also been working to ensure that we can reduce the administrative burden for miners in terms of the application process for renewing claims. We made a change to the regulation to ensure that some renewals can be done online. So there's work going on as part of our overall business improvement process to make sure that the regulatory framework is as effective as it can be.

The Hon. ROBERT BORSAK: Thanks very much, Ms Beattie. Minister, Australia provides 95 per cent of the world's opals, and the bulk of those come from New South Wales. You said just now that it's a small part

CORRECTED

of the mining industry, but it's obviously a very important part of the world's supply of opals. Can you provide the annual turnover of opal output in New South Wales?

The Hon. COURTNEY HOUSSOS: That's an excellent question, Mr Borsak. My understanding is that we are the only source of black opals in the world. I would make the point that when I had to take steps to pause opal mining as we reissued the titles, there were some significant global market implications for that. So we are really happy to see that a large proportion of that opal mining is now back underway. Ms Beattie has explained how that work is ongoing. One of the things we asked the independent review to do was to look at the economic contribution of opal mining.

The Hon. ROBERT BORSAK: Do you have a figure?

The Hon. COURTNEY HOUSSOS: My understanding is we don't, but I'd be happy to pass to Ms Beattie. This is somewhat contentious within the mining community, but opal miners don't pay royalties. They have to pay some fees in association with the work that they do. So there are some limitations to the information that's provided to us.

GEORGINA BEATTIE: We did a cost-benefit analysis as part of the work that fed into the independent review. But, as the Minister said, that is our best estimate of the contribution. It is really important to the regional economies in Lightning Ridge and White Cliffs. We know that.

The Hon. ROBERT BORSAK: So how much is it? \$1 million? \$10 million? \$100 million?

GEORGINA BEATTIE: I'd have to take it on notice to see the number that's in the report, but a number of caveats are also referenced in the report.

The Hon. ROBERT BORSAK: Of course. Minister, you just mentioned in your answer there closing the industry. Was that a mental slip? You have no intention of not continuing with the industry, surely.

The Hon. COURTNEY HOUSSOS: Sorry, Mr Borsak, what I was talking about was when I first became the Minister, one of the first actions I had to take was to stop opal mining because the previous Government had incorrectly issued the titles. We started the process of issuing them correctly and legally. That required there to be a pause in opal mining. That's why I visited Lightning Ridge—I think it was at the start of May 2023—to assure the local community that our Government, and me personally, understood the importance of opal mining to the Lightning Ridge community in particular, and that we were going to get that process underway as quickly as we could. Full credit to the team at Resources. We got that underway and we got the miners back onto their titles as quickly as we could.

The CHAIR: A pregnant pause.

The Hon. COURTNEY HOUSSOS: I would be happy to talk about our opal mining industry in Lightning Ridge in more detail, if you would like.

The CHAIR: No, that is fine.

The Hon. ROBERT BORSAK: I have some more questions. I just ran out of time.

The Hon. DAMIEN TUDEHOPE: Mr Gadiel, are you aware of which agencies haven't provided reporting in relation to Procurement Board Direction 2024-02 for the last quarter?

MICHAEL GADIEL: Yes, I am.

The Hon. DAMIEN TUDEHOPE: Which agencies are they?

MICHAEL GADIEL: I believe it's Transport, or the metro authority.

The Hon. DAMIEN TUDEHOPE: Is that the only you're aware of?

MICHAEL GADIEL: That's the only one I'm aware of.

The Hon. DAMIEN TUDEHOPE: When do you expect that information to be made available?

MICHAEL GADIEL: We would expect that to happen this month, but we haven't received the returns yet.

The Hon. DAMIEN TUDEHOPE: To the best of your knowledge, is there any information that has been provided which you would see would prevent that report from being made public when it's available?

MICHAEL GADIEL: Whether or not the report is made available is the decision of the Government.

CORRECTED

The Hon. DAMIEN TUDEHOPE: But there's nothing you're aware of which would preclude the report from being made available?

MICHAEL GADIEL: Again, that would be a matter for the Minister.

The Hon. DAMIEN TUDEHOPE: Thank you. That was helpful. Minister, I asked you before about your commitment to the 30 per cent weighting on contracts over \$7.5 million, which was an election commitment. You're not able to tell us whether that is in addition to the other weightings which have been given. Is that correct?

The Hon. COURTNEY HOUSSOS: I said, Mr Tudehope, that one of the issues we were working through is how our election commitment in relation to local content for tender weightings is implemented. Tenders—as you would be aware as a former finance Minister—are very complex and vary greatly across different agencies. I've said this previously, Mr Tudehope—in fact, it's the Premier's analogy. He said that when you come to government, you don't have a clean slate. You basically inherit a half-finished jigsaw puzzle. Our responsibility as we try and build the future capability across government to spend more of that money here in New South Wales is the interaction with the policies of the previous Government. I make no secret of that. We recently released new figures that showed that we had a record level of spending of I think, from memory—someone will correct me if I'm wrong—over \$10 billion with small and medium-sized businesses. That's an important indicator as we rebuild our local capabilities and spend more of that money here.

The Hon. DAMIEN TUDEHOPE: Building on an excellent policy which already existed. Minister, are you aware of the first report of the Anti-slavery Commissioner on managing modern slavery risks in New South Wales with the procurement of electric vehicles?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. DAMIEN TUDEHOPE: In the report, the commissioner states that it was originally planned that a Procurement Board direction making compliance with the Guidance on Reasonable Steps mandatory would be finalised in June 2025. The commissioner then observed:

... the timeline has been revised to ensure that implementation of the GRS aligns with complementary social procurement and industrial relations reforms that the NSW Government has signalled it intends to undertake.

Under this revised timeline, when do you anticipate that Procurement Board direction making compliance with the Anti-slavery Commissioner's Guidance on Reasonable Steps mandatory?

The Hon. COURTNEY HOUSSOS: You asked me this question last time, Mr Tudehope. You asked whether I would issue a Procurement Board direction, and I said that I wouldn't rule it out. But I would take this opportunity to say thank you to the Anti-slavery Commissioner for his ongoing work. There is a huge body of work that's being undertaken by the New South Wales Government. My understanding is that the Guidance on Reasonable Steps document that he issued is about 200 pages. What he is doing at the moment is working through with both the Procurement Board and with individual agencies about how to put that into practice.

That work is ongoing but, in order to operationalise how that would work, it is taking a huge amount of work. I'd make the point that I understand the Anti-slavery Commissioner was quite positive about the progress when he was speaking about it in budget estimates last week. I would really like to thank him, because it's a huge amount of work that's occurring across government, at both a whole-of-government level but also within individual agencies.

The Hon. DAMIEN TUDEHOPE: I think you're accepting that there is a delay in the implementation of it.

The Hon. COURTNEY HOUSSOS: No, I am not accepting that there is a delay, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: But it was to be finalised in June 2025.

The Hon. COURTNEY HOUSSOS: What reference is there to—

The Hon. DAMIEN TUDEHOPE: It was contained in his report.

The Hon. COURTNEY HOUSSOS: In his report it may have said that the—I am just not aware of that particular timeline.

The Hon. DAMIEN TUDEHOPE: That's fine. But I just wonder why you consider it necessary to delay the implementation of very clear recommendations from the Anti-slavery Commissioner.

The Hon. COURTNEY HOUSSOS: No, I would not accept the premise of your question, Mr Tudehope. We are not delaying that. This work is underway. His guidance of, as I said, more than 200 pages, or about 200 pages—

CORRECTED

The Hon. DAMIEN TUDEHOPE: The length of the report doesn't matter. It's the importance of the recommendations, Minister.

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I think I've made it really clear that this has been a key issue for this Government. It's been a key issue for the Labor Party when we were in opposition. Now that we are in government, we are absolutely opposed to all forms of slavery. We are doing a range of important work. There has been no delay in working with the Anti-slavery Commissioner in order to implement that. I'd be happy to pass to Mr Gadiel to speak about the work that is being done at both the Procurement Board level but also within individual agencies. As an example, there is now a dedicated person—I think an executive director—that is within the transport department who is now working to address these risks. This is a serious body of work that this Government is doing. It's not as simple as issuing a Procurement Board direction.

The Hon. DAMIEN TUDEHOPE: Mr Gadiel, do you want to provide some further details?

MICHAEL GADIEL: Yes. Just to correct the record with the Minister, it's a director, I believe, in the department of transport that's dedicated to modern slavery—okay, it is an executive director. The intent was for the Procurement Board to issue a direction implementing the reasonable steps guidance from the commissioner in June. The upshot is that a working group has been established with agencies together with the modern slavery commissioner working towards that but, because of the complexity of the guidance and also the complexity of the issue, that's taking longer. I have written to the modern slavery commissioner seeking him to attend the next board meeting later this month, and that will be the subject of discussion. We are working towards supporting agencies in implementing the Guidance on Reasonable Steps over time. I would mention that we have released some training modules that help support agencies meet that guidance as well.

The Hon. DAMIEN TUDEHOPE: Are they available online, those modules?

MICHAEL GADIEL: They are available online, yes.

The Hon. DAMIEN TUDEHOPE: You wouldn't agree, would you, Minister, with the observations made by Minister Graham that sometimes, in relation to modern slavery, you've got to make sure that you don't balance the need to ensure that people have electric toothbrushes?

The Hon. COURTNEY HOUSSOS: I'm not aware of that particular quote. I would say that I'm working closely with Minister Graham as we implement this. Because of the scale and the size of Transport projects, we're working closely to address those issues.

The Hon. DAMIEN TUDEHOPE: Minister, is there any money in the 2025-26 budget for the Jobs First Commissioner?

The Hon. COURTNEY HOUSSOS: I saw you ask this question to the Treasurer. Yes, there is some money in the—

The Hon. DAMIEN TUDEHOPE: Whereabouts is it?

The Hon. COURTNEY HOUSSOS: I can't recall the exact page. The Secretary of Treasury will tell you.

MICHAEL COUTTS-TROTTER: I'm pleased to announce it's in our budget, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Whereabouts, Secretary?

MICHAEL COUTTS-TROTTER: It's in the Treasury's budget. It's a bit over \$7 million over four years.

The Hon. DAMIEN TUDEHOPE: It's in the Treasury report, is it?

MICHAEL COUTTS-TROTTER: Yes, it's in our financials.

The Hon. DAMIEN TUDEHOPE: Is it a specific line item?

MICHAEL COUTTS-TROTTER: I'm not sure if it's specified in the papers, but it is part of our budget.

The Hon. DAMIEN TUDEHOPE: Do we expect the new commissioner to be appointed by 1 July 2026, Mr Coutts-Trotter?

MICHAEL COUTTS-TROTTER: It's a matter for government, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: Minister?

The Hon. COURTNEY HOUSSOS: I don't have an announcement in relation to that today, Mr Tudehope. I spoke earlier about the work that we are doing in relation to our local content policy, and that's directly related to the work that we're doing on the Jobs First Commission. It's true there is some funding that's reserved within the New South Wales budget, but that work is continuing.

CORRECTED

The Hon. DAMIEN TUDEHOPE: Did I hear you say correctly, Mr Coutts-Trotter, that was \$7 million?

MICHAEL COUTTS-TROTTER: It's a little bit over \$7 million over four years, and the profile ramps up over time, from memory.

The Hon. DAMIEN TUDEHOPE: In the initial year, do you recall how much that is?

MICHAEL COUTTS-TROTTER: No, I'm happy to take that on notice for you.

MICHAEL GADIEL: It's around a million in the first year.

The Hon. DAMIEN TUDEHOPE: And that million dollars is set aside for what?

MICHAEL GADIEL: For the purposes of establishment of the Jobs First Commissioner.

The Hon. DAMIEN TUDEHOPE: And that includes the employment of the commissioner?

MICHAEL GADIEL: Yes, the commissioner and a small team around him or her.

The Hon. DAMIEN TUDEHOPE: I go back to my question, Minister: Do you expect the commissioner to be in place by 1 July 2026?

The Hon. COURTNEY HOUSSOS: And my answer is the same, Mr Tudehope, which is I don't have an announcement in relation to that today. We have sought some funding as we continue to progress it. But I don't have an announcement in relation to that for you today.

The Hon. DAMIEN TUDEHOPE: But you'd agree with me, would you, that if the money has been set aside in the budget for the establishment of the Jobs First Commissioner—a million dollars for this year—we could expect the Jobs First Commissioner to be in place by 1 July of next year?

The Hon. COURTNEY HOUSSOS: I have got my listening ears on as well. I just heard that there's a million dollars in the budget. I'm well aware of what is going on.

The Hon. DAMIEN TUDEHOPE: Is that the first time you've heard it?

The Hon. COURTNEY HOUSSOS: No.

The Hon. DAMIEN TUDEHOPE: Good.

The Hon. COURTNEY HOUSSOS: But I would make this point, Mr Tudehope: I have consistently said to you across consecutive budget estimates that this work continues and this work is ongoing. This is not something that we can step up immediately, because your Government didn't do anything like this. We are so far behind in trying to catch up and spend more of our money here, but there is no capacity across government to do that at the moment—sorry, I should not say "at the moment" but when we came to government. I really want to thank the dedicated public servants who are working with us to actually be able to do this.

The Hon. DAMIEN TUDEHOPE: Mr Gadiel, how many public servants do you say will be employed in the new office of the Jobs First Commissioner?

MICHAEL GADIEL: It would be a small team. It would be a handful.

The Hon. DAMIEN TUDEHOPE: The commissioner and a handful?

MICHAEL GADIEL: Yes, so maybe five.

The Hon. DAMIEN TUDEHOPE: Over the four-year period, do you expect that to increase?

MICHAEL GADIEL: No, that would be the team.

The Hon. DAMIEN TUDEHOPE: So there would be technology-based requirements that would impact on the establishment of that new office?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I just make this point—

The Hon. DAMIEN TUDEHOPE: I'm asking Mr Gadiel.

The Hon. COURTNEY HOUSSOS: We've made a reservation within the New South Wales budget for some funding. The final decisions in relation to the Jobs First Commission have not yet been made by the Government. I appreciate that Treasury has done some modelling to assist us in that, but we have not made final decisions.

The Hon. DAMIEN TUDEHOPE: You may not make an announcement. Is that what you're telling me?

CORRECTED

The Hon. COURTNEY HOUSSOS: No, that's not what I'm saying to you. I am going to be consistent in what I've said all morning, which is the work on this continues, but our Government is fiscally prudent and disciplined. We are going to be careful about what we create before we create it. We have reserved some funding, as you found out in the Treasurer's estimates, but we have not made an announcement or a final decision on what that looks like yet, Mr Tudehope. Again I would say that is because we are doing that in consultation with industry, with business groups and with the union movement, who are largely on a unity ticket, I would make the point, when it comes to issues around spending more of our money here in New South Wales, supporting jobs and supporting local investment here in New South Wales.

The Hon. DAMIEN TUDEHOPE: Minister, in the Government response to the first recommendation of *Procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales: Final Report* you point explicitly to the role played by Business Connect in ensuring that—and these are your words—"businesses have the capacity and skills to participate in government procurement processes". Why are you cutting off Business Connect?

The Hon. COURTNEY HOUSSOS: In relation to Business Connect—this is obviously a decision that you have canvassed elsewhere—it's a decision that's been taken by the Government because it didn't have ongoing funding. As I said earlier, we are fiscally prudent. A disciplined approach to our budget has meant that we have made the decisions in relation to that.

The Hon. DAMIEN TUDEHOPE: It was your position, though, was it not, that, in terms of dealing with government in relation to government procurement processes, Business Connect played a vital role in relation to government procurement?

The Hon. COURTNEY HOUSSOS: I don't have the Government response in front of me right at the moment in relation to that recommendation. I would say that I support the important work of the inquiry and we certainly made that Government response to the inquiry. I've said it many times. I'll take this opportunity to thank Dr Kaine again for the work that she did in chairing that inquiry. That helped us inform the broad range of reform that we are undertaking. In relation to the specific recommendation, you would be aware of it, Mr Tudehope. You were on the inquiry. But I'd make this point: There are lots of avenues for support for New South Wales small businesses through the New South Wales Business Bureau.

The Hon. DAMIEN TUDEHOPE: What are they? What are those avenues that you identify?

The Hon. COURTNEY HOUSSOS: I'd be happy to come back to you on notice in relation to that. Business Bureau operates within Service NSW and, if you have specific questions in relation to the support for that—

The Hon. DAMIEN TUDEHOPE: You were the one who just indicated, Minister, that there were multiple agencies available to assist small business.

The Hon. COURTNEY HOUSSOS: Sure. Like I said, I can pass either to the secretary of the Treasury, though in all of his work that he does—doesn't immediately supervise the work of Service NSW and the Business Bureau.

The Hon. DAMIEN TUDEHOPE: Were you involved in the decision? Were you consulted in relation to the removal of the funding for Business Connect?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. DAMIEN TUDEHOPE: You were consulted?

The Hon. COURTNEY HOUSSOS: I'm going to take that one on notice because you would be aware, Mr Tudehope, that I'm a member of the Cabinet. I'm a member of the Expenditure Review Committee, so I'd just take that one on notice.

The Hon. DAMIEN TUDEHOPE: Has the new Small Business Commissioner been appointed yet?

The Hon. COURTNEY HOUSSOS: I'm not aware. I understand that that's an appointment that would be done probably by Minister Saffin in her role as Minister for Small Business.

The Hon. DAMIEN TUDEHOPE: You're quite right. You also highlight the role of Business Connect in your response to recommendation 14, where you say:

The NSW Government's Business Connect program supports Aboriginal Businesses in NSW and Aboriginal people looking to start a business in NSW.

Are there other agencies available to provide that support to Aboriginal businesses?

CORRECTED

The Hon. COURTNEY HOUSSOS: Absolutely. I recently met with—if I get the name wrong, I'll come back and correct it—the Aboriginal Business Taskforce. That's been set up by the Minister for Aboriginal Affairs, Minister Harris, who's doing great work in this space—

The Hon. DAMIEN TUDEHOPE: They're an Aboriginal business advisory service, are they?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, this works best if you ask me questions—

The Hon. DAMIEN TUDEHOPE: Yes, I'm asking you.

The Hon. COURTNEY HOUSSOS: —and then you give me the opportunity to actually provide answers.

The Hon. DAMIEN TUDEHOPE: Are they an advisory service?

The Hon. COURTNEY HOUSSOS: They are a taskforce that provides direct advice and support to the New South Wales Government. There is a range of programs that are available. One of the things that I was specifically talking to them about was the way that we can be procuring more from our Aboriginal-owned businesses. That's certainly a body of work that we are undertaking at the moment. But, as I say, there's a suite of things that are available. I can see the secretary is keen to jump in in relation to this.

MICHAEL COUTTS-TROTTER: I'm champing at the bit to offer a shout-out to the Aboriginal colleagues in Treasury who are instrumental in facilitating so-called Gather and Grow meetings around New South Wales that bring Aboriginal entrepreneurs, Aboriginal-owned or controlled small businesses together with government buyers to talk through precisely the kind of issues you're referring to, Mr Tudehope. There's one coming up in Parramatta. I would recommend it to you.

The Hon. COURTNEY HOUSSOS: I take this opportunity to thank again the Aboriginal Business Taskforce because we're going to be working in coordination with them and they're going to be making sure that that information is getting directly to Aboriginal-owned businesses.

The Hon. DAMIEN TUDEHOPE: Minister, one very valued Business Connect adviser is NSW Procurement Specialists. Their website lists the 12 remaining webinars they will be conducting between now and the axe falling on 30 September, including webinars targeted specifically at startups and at Aboriginal businesses. Who will be offering similar webinars on government procurement for small business from 1 October 2025 onwards?

The Hon. COURTNEY HOUSSOS: I'd be happy to come back to you on notice in relation to the specifics. I'd just make this point, as the secretary of the Treasury did. We have Gather and Grow opportunities to encourage that engagement. Indeed, I was visiting a business in Gunnedah—I think that was last year—who was an entirely Aboriginal-owned business that said to me they did fantastic and huge projects with the mining industry but couldn't get access to any government procurement dollars. We were able to fix that by engaging—

The Hon. SARAH MITCHELL: That's Many Engineering.

The Hon. COURTNEY HOUSSOS: That's right. It was Many Engineering. I'll give them a shout-out. They would have moved to their new site by now. I'm sure the expansion is underway, employing more local employees and supporting fantastic jobs in our regions. But that's the kind of work that we're doing to allow businesses, in particular small and medium-sized businesses and Aboriginal-owned businesses, to have access to government procurement dollars.

Ms ABIGAIL BOYD: Picking up on that Jobs First Commission, I actually asked the Treasurer, who said, "Rest assured, when the Minister for Finance is here, she would love to talk to you about this." We have \$7 million in the budget. We've learnt that it's over four years. One million is in the first year. Presumably, logic would tell us that we're going to have a Jobs First Commissioner by the end of the financial year.

The Hon. COURTNEY HOUSSOS: Ms Boyd, I'm not sure if you were here for the answers that I provided to Mr Tudehope.

Ms ABIGAIL BOYD: I was.

The Hon. COURTNEY HOUSSOS: They're going to be the same answers, which is that we have set aside some funding in the budget in order to do that. That's because the work on the Jobs First Commission is progressing. We haven't finalised that work. Our approach is, once we finalise the decision-making process, then we will be able to make announcements about the funding.

Ms ABIGAIL BOYD: But a million dollars is a lot of money. If it's not to employ a commissioner, then what on earth would you be using it for?

CORRECTED

The Hon. COURTNEY HOUSSOS: I would anticipate that it would be to employ the appropriate staff. But I don't want to give commitments in relation to exactly what that looks like until the Government has completed its decision-making process and our consultations have completed with industry.

Ms ABIGAIL BOYD: Maybe there's a disconnect between you and the Treasurer, then, because the Treasurer has included in the budget—you have \$1 million to spend in the next financial year on the Jobs First Commission. How are you going to spend that money?

The Hon. COURTNEY HOUSSOS: As I said to you, Ms Boyd, my answer doesn't change, which is the Government hasn't made decisions about exactly what that money will be put towards just yet. I would completely reject the premise of your question saying that there's any distance between the Treasurer and myself. We work very closely together. On this particular—

Ms ABIGAIL BOYD: Just to be clear, I wasn't saying that. The budget is saying that. It says there's \$1 million for this. Can you tell us if you've at least started drafting the enabling legislation?

The Hon. COURTNEY HOUSSOS: I might just come back to you on notice about that one because there are a couple of different legislative pieces that we're working through at the moment.

Ms ABIGAIL BOYD: On 20 December last year you said, "The Minns Labor Government is continuing to develop legislation to create a New South Wales Jobs First Commission."

The Hon. COURTNEY HOUSSOS: If I said it, then that's the case. The reason why I hesitate is that the work of the Jobs First Commission and also our local content policies are closely entwined. We're doing a range of consultations, as I said earlier, both across government but also with some key parts of industry, with the union movement and with some other external experts as we finalise that process.

Ms ABIGAIL BOYD: With the Future Jobs and Investment Authority—as it now is—is there draft legislation for that?

The Hon. COURTNEY HOUSSOS: Yes. We're in the midst of drafting that legislation at the moment.

Ms ABIGAIL BOYD: Are you consulting with the Hunter Jobs Alliance on that?

The Hon. COURTNEY HOUSSOS: I think we are. I might ask the deputy secretary.

Ms ABIGAIL BOYD: You may remember one of the first motions we passed at the beginning of the parliamentary term was a motion I put up calling for these transitional authorities to be in line with what the Hunter Jobs Alliance had been calling for. You did accept that motion. I'm just checking that HJA is still being consulted with.

The Hon. COURTNEY HOUSSOS: To my recollection, I actually think they were at the event that we held. When I announced the Future Jobs and Investment Authority, we did a media announcement in West Wallsend on the former coal site there. I then met with a number of different union members there. Then we had a larger group briefing for a range of stakeholders from across the Hunter region, because there is so much interest in that. My recollection is that the Hunter Jobs Alliance was at that particular meeting and provided quite positive feedback in relation to it.

GEORGINA BEATTIE: Minister, I can confirm that not only were they present there but we are talking with them about the scope of the legislation.

Ms ABIGAIL BOYD: Chair, perhaps it's useful if I table this. I have 10 copies, so it's easy to pass around.

The CHAIR: Perhaps it's useful if you tell us what it is.

Ms ABIGAIL BOYD: This is a paper fine that has been issued to a childcare organisation. You may recall that back in July, I think it was, the Building Commission NSW was found to be using paper parking tickets to issue infringement notices. Do you remember this?

The Hon. COURTNEY HOUSSOS: No, I'm sorry. I don't recall. I usually follow parking fine developments pretty closely, but I don't recall that.

Ms ABIGAIL BOYD: Parking infringement notice books are being used to fine builders and developers. The one I have given to you just now is something that the early childhood and education regulatory authority has been using. They're in a similar bind. You can see there that it has got the State of registration and registration plate. This is a parking ticket that the early childhood regulator is having to issue on the spot to centres that they're finding to be fined. What I'm hearing is that this is incredibly hard because they don't have many of these paper-based books with the carbon on them. What is Revenue doing about the use of parking fine books? Why aren't we having modern electronic fines across government regulators?

CORRECTED

The Hon. COURTNEY HOUSSOS: It's a great question, Ms Boyd. You're aware that we talked about this at length last week in my acting capacity as the education Minister. There are a broad range of reforms that this Government is pursuing in relation to early childhood education and care. In relation to fines specifically, one of the proposals that we'll be presenting and that I took to the national meeting of education Ministers was to triple the fines.

Ms ABIGAIL BOYD: Sorry, I bring you back to this portfolio, though. I appreciate that. We had that discussion. But this is around the use of paper parking fines across various agencies within the New South Wales Government, including the early childhood regulatory authority. What has Revenue been doing to ensure that we have a modern system and that this isn't happening?

The Hon. COURTNEY HOUSSOS: I'll pass in a moment to the chief commissioner to provide you with the specifics across government. The point I make is this: Revenue NSW plays an enforcement capacity but the issuing of fines is really up to the individual, whether it's authorities being local councils or other government departments.

Ms ABIGAIL BOYD: Can you clarify, then, why they would be using such a thing?

The Hon. COURTNEY HOUSSOS: My understanding is—and please correct me if I'm wrong here, Chief Commissioner—that the responsibility of the agency or of the council or whoever it might be is to issue the fines. That is the responsibility of that particular agency or that council.

Ms ABIGAIL BOYD: We don't have multiple systems for electronic fines. We have the one system. I thought everything was brought together under Revenue NSW, so what is Revenue NSW doing?

The Hon. COURTNEY HOUSSOS: This is where the responsibilities in relation to the issuing of fines or the issuing of orders rests with the individual agency or department or council. Revenue NSW is then passed along that information by the individual department or by the agency. That's my understanding of the delineation of responsibilities. We have made some requirements on councils, you would be aware, to issue an immediate notification to parking fines.

Ms ABIGAIL BOYD: As well as the electronic fines.

The Hon. COURTNEY HOUSSOS: But in relation to individual agencies, it's usually a matter for them. Let me pass to the deputy secretary.

PHIL MINNS: I haven't really got much to add, Ms Boyd. I think the Minister is correct in explaining our role in that process.

Ms ABIGAIL BOYD: Is it a Service NSW responsibility?

The Hon. COURTNEY HOUSSOS: No, it's up to the individual.

Ms ABIGAIL BOYD: I understand that, at an individual level, we have agencies making these decisions. But in terms of modernising the fines system, are you saying it has nothing to do with Revenue NSW?

PHIL MINNS: We're doing a lot of work. We're constantly investing in trying to bring more customer-friendly and simplified processes to bear.

Ms ABIGAIL BOYD: Are you working with agencies to modernise?

PHIL MINNS: My understanding is yes but, for that particular case, I would want to take it on notice and go back to the team.

Ms ABIGAIL BOYD: Minister, last year it was identified that Customer Service, the Rental Bond Board and Revenue NSW were unlawfully recouping merchant fees. What has been the financial impact of ceasing collecting the merchant fees in the years since it has been turned off?

The Hon. COURTNEY HOUSSOS: I would have to take that one on notice. I'd say that we're awaiting the Ombudsman's report in relation to that. But for the financial impact I'd have to come back to you on notice. I could pass to the secretary.

MICHAEL COUTTS-TROTTER: From memory, it's \$25 million to \$30 million a year. But I'm happy to confirm that on notice.

Ms ABIGAIL BOYD: Have you been talking with the Ombudsman as part of those investigations? Has he contacted Revenue?

The Hon. COURTNEY HOUSSOS: It's not appropriate, I would say, for me as the Minister to be contacting the Ombudsman.

CORRECTED

Ms ABIGAIL BOYD: No, but Revenue NSW?

The Hon. COURTNEY HOUSSOS: We have referred that to the Ombudsman for report. We look forward to receiving that report. I would expect that government agencies would be assisting him in his important work as he gets to the bottom of this issue.

The Hon. JOHN RUDDICK: Minister, nice to see you. When I go round the State, I often talk to people in the mining industry. I have to say, I frequently hear them say favourable things about you in your capacity as the mining Minister. In that spirit, I'm keen for you to give the Committee an update on where the McPhillamys goldmine is up to in Blayney. I know it got approved in March 2023. I understand you and the Minns Government were in favour of it, but then the Federal environment Minister used section 10. That was a year ago. Could you give us an update as to where we're up to?

The Hon. COURTNEY HOUSSOS: Yes, Mr Ruddick, it's an important question. You're right, certainly at previous hearings of this Committee we have canvassed that issue extensively. The Premier and the Treasurer and other senior Ministers and I all stood together and said that we support this project. It provides important jobs for a regional community. Ultimately, now, as a result of the declaration, it's back with the company to make some alternative arrangements, and we continue to engage with that. I have met with the company on several occasions—you would see it in my meeting disclosures—including with the Premier as we try and work through some of those issues. Again, this will ultimately be a question for the company to determine if they want to resubmit the proposal and make alternative arrangements. There are some constraints in relation to the site itself and the location of the tailings dam. My understanding is that the intersection of the section 10 declaration and the water requirements of the dam are very challenging.

The Hon. JOHN RUDDICK: You said that you have had discussions with the company. That's good. But I would think that the organisation would need to talk to the Federal Government, because there is now a new environment Minister. Have you made representations to the new environment Minister about this issue?

The Hon. COURTNEY HOUSSOS: I don't recall. I wrote to the previous Federal Minister on multiple occasions on this issue. I don't recall writing to the new Federal Minister in relation to that. Really, what we have been focused on is working with the company to find an alternative proposal. The company itself is currently challenging that decision. I'm not a lawyer and I shouldn't be speculating on the basis, but they've launched legal action in relation to the decision of the Minister. I couldn't give you an update on the next developments on that.

The Hon. ROBERT BORSAK: Minister, could you provide an update on the review of the guidelines on the surcharge land tax for foreign owners?

The Hon. COURTNEY HOUSSOS: I'm sorry, Mr Borsak, I just got distracted. Sorry, can I provide to Mr Ruddick that Regis Resources commenced legal proceedings last November and the first hearing before the Federal Court is expected in December this year.

The Hon. JOHN RUDDICK: Good to hear.

The Hon. COURTNEY HOUSSOS: Sorry, Mr Borsak, you were asking me about foreign surcharge.

The Hon. ROBERT BORSAK: Yes. Can you give us an update on the review? I think you announced that there was going to be a review in relation to the guidelines.

The Hon. COURTNEY HOUSSOS: I did say that I would be taking a closer look in relation to those guidelines, and that work is certainly underway.

The Hon. ROBERT BORSAK: When can we expect an outcome?

The Hon. COURTNEY HOUSSOS: I don't have a specific date in relation to that. I think you're referring to a comment I made in a radio interview in relation to that.

The Hon. ROBERT BORSAK: Yes. I'm leading up to talking about that, the Ben Fordham show, some time ago.

The Hon. COURTNEY HOUSSOS: That's right. We're taking a closer look at those guidelines. I think it's worthwhile noting, Mr Borsak, that the point I made in that radio interview and the position of the Government is that the tax system in New South Wales treats visa holders and Australian citizens differently. In relation to foreign tax surcharge, if you're not an Australian citizen and you don't reside in your principal place of residence for more than 200 days, then you are required to pay the foreign tax surcharge.

The Hon. ROBERT BORSAK: Minister, the people concerned have had letters and communication with your office, and also I think the commissioner has written to them, as well, basically saying that the land tax will

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apply. I'm not sure exactly which year. I think they're talking 2020. Is there any room to manoeuvre in relation to that outstanding amount?

The Hon. COURTNEY HOUSSOS: I'd be really hesitant to canvass the circumstances of an individual in this particular hearing. I'd be happy to talk to you about it if you've been provided with those details. But I would say that, in relation to the—the rule is that, in order to access the exemption from foreign tax surcharge, a permanent resident who purchases a property must meet the 200-day threshold. That means that they must be in the country for 200 consecutive days. I'd also make the point, Mr Borsak, that, where a permanent resident and an Australian citizen jointly own a property and the foreign tax surcharge is levied on that particular property, it only applies to the proportion owned by the permanent resident who has not met the 200-day rule.

The Hon. ROBERT BORSAK: So, for example, if it was jointly held—tenants in common, for example—fifty-fifty, it would only be assessed on half.

The Hon. COURTNEY HOUSSOS: It would be assessed on the proportion—yes, that's right.

The Hon. ROBERT BORSAK: In that circumstance.

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. ROBERT BORSAK: Minister, could you just maybe take on notice how much money has been raised under this scheme in the last five financial years?

The Hon. COURTNEY HOUSSOS: I can tell you that, since 2019-20, the foreign surcharge on land tax and stamp duty has raised more than \$2.6 billion.

The Hon. ROBERT BORSAK: That's reflective of the accelerating property market, I'll bet.

The Hon. COURTNEY HOUSSOS: I'd make this point, Mr Borsak: that our property taxes in New South Wales do not apply to an Australian citizen's principal place of residence. So we don't levy taxes on the family home. And if a permanent resident lives in Australia for more than 200 days and is building their life here, perhaps sending their children to local schools, then they are not required to pay this foreign tax surcharge. But if they don't live here for more than 200 days, if they're not an Australian citizen, then they are levied this surcharge.

The Hon. ROBERT BORSAK: Of the \$2.6 billion—and again you probably don't have these figures to hand—how many would be for permanent foreign residents? And how many would be for the people that are caught in these circumstances?

The Hon. COURTNEY HOUSSOS: I'd be happy to take that on notice. My understanding is that we don't have that breakdown, but I'd be happy to come back to you on notice in relation to that.

The Hon. ROBERT BORSAK: Are you likely to change and create an exemption for the circumstances around which those people were talking to you or talking to the commissioner about an exemption?

The Hon. COURTNEY HOUSSOS: I would make this point, Mr Borsak, and I think this is the point I made on radio, which is it's my responsibility as Minister to make sure that we have appropriate hardship guidelines that are in place. We're taking a closer look at that at the moment. You'll note that we have got a new chief commissioner, and so that work is underway. But ultimately this is a key source of revenue that was established by the previous Government and that is now providing us with important funds as we try and rebuild essential public services across New South Wales.

The Hon. ROBERT BORSAK: Just getting back to opals again, so put your opal ring on. What can the Government do to help promote and push this industry forward once you sort it out, as it were? One of the key issues is you've got to know what it's worth. Nobody seems to know what it's generating.

The Hon. COURTNEY HOUSSOS: I can provide you with an update there, or I think we can.

GEORGINA BEATTIE: Thank you, Minister. I'm happy to share that the report of the independent review said that there's \$93 million a year of industry impact from the opal sector. That's made up of \$63.1 million in direct output and \$29.9 million of flow-on benefits.

The Hon. ROBERT BORSAK: That's pretty decent for small title businesses, isn't it?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. ROBERT BORSAK: That's pretty decent. Can you consider what you could do to help promote that? Maybe it's not your portfolio, obviously.

CORRECTED

The Hon. COURTNEY HOUSSOS: I might come back to you on notice, Mr Borsak. I know that Minister Moriarty was doing some work in relation to this. As I said to you earlier, given the rarity of black opals and the fact that we are, as I understand, the only source of them in the world, we think that's a great opportunity for us to be showcasing that, and I think the Government's looking at doing some more things in Lightning Ridge, but I might come back to you on notice in relation to that.

The Hon. DAMIEN TUDEHOPE: Minister, who is doing the inquiry in relation to the surcharge?

The Hon. COURTNEY HOUSSOS: That's work that we're undertaking. I am taking a closer look at it with the chief commissioner.

The Hon. DAMIEN TUDEHOPE: Chief Commissioner, you're conducting the inquiry?

The Hon. COURTNEY HOUSSOS: I wouldn't characterise it as an inquiry. I would say that we are looking at those guidelines that are in place and making sure that they're robust and fit for purpose.

The Hon. DAMIEN TUDEHOPE: In respect of the potential for those guidelines, do they include hardship provisions relating to particular taxpayers?

PHIL MINNS: We do have hardship provisions that can apply in these sorts of circumstances, yes.

The Hon. DAMIEN TUDEHOPE: Is there much flexibility in relation to the application of those hardship provisions?

PHIL MINNS: I think I would ask Mr Smythe to answer that, because he sits on the hardship board.

CULLEN SMYTHE: The Hardship Review Board is constituted under the State Debt Recovery Act, as I know you understand, Mr Tudehope. There is significant flexibility on all heads of tax and fines related to administrative matters that are covered or that fall under the jurisdiction of the chief commissioner. So there's significant flexibility.

The Hon. DAMIEN TUDEHOPE: In relation to a potential example that did arise—a person who is on the cusp of the 200 days and misses a flight or whatever, for whatever reason—would flexibility entitle that person to apply for consideration of the waiver of the surcharge duty?

CULLEN SMYTHE: I won't comment on the specific matter, but, as a theoretical issue, there's a difference between not meeting the strict bright-line test in the legislation and hardship. They are two very different things.

The Hon. DAMIEN TUDEHOPE: Correct.

CULLEN SMYTHE: There was a decision earlier this year, *Chen v Chief Commissioner of State Revenue*, that considered that bright-line test and was quite clear that there are very limited circumstances in which the exceptional circumstance requirement under section 5B (2B) would apply.

The Hon. DAMIEN TUDEHOPE: Would you change that, Minister?

The Hon. COURTNEY HOUSSOS: As I said earlier, I'm not going to make an announcement in relation to that today. That is a body of work that we are undertaking at the moment.

The Hon. JOHN RUDDICK: Just following up on the McPhillamys goldmine, I wasn't aware that the company is challenging it in court. I think you said the hearing is later this year.

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. JOHN RUDDICK: That could go on for six months. Then that decision could be appealed. We've already lost a year. There are two million ounces of gold sitting out there. Murray Watt is the new Federal environment Minister. Like you, he seems to be quite inclined to be pro-mining development. I'm thinking if Murray Watt could be persuaded to reverse this section 10, then we save the company all the legal fees and all the hassle. My understanding is that the local Aboriginals overwhelmingly are in favour of this project, because it's going to offer a lot of local jobs. Is there any upside that you see in having a discussion with Murray Watt and saying, "Look, we don't need to worry about this court case if we just reverse this section 10"?

The Hon. COURTNEY HOUSSOS: It's a great suggestion, and I'd be happy to—I actually didn't realise I hadn't. I think I've written a congratulatory letter to Minister Watt. I think I might have sent him a text message as well. I'd be happy to engage with him on this issue, but it's a good suggestion.

The CHAIR: Minister, is the New South Wales point of consumption tax collected via online gambling collected based upon the point of consumption of gambling services or upon the nominated address of the person placing the bet?

CORRECTED

The Hon. COURTNEY HOUSSOS: I recall that you asked me some questions in relation to this last time, which also included you getting a notification on your app, I think, for the first time. I'd be happy to come back to you with an answer after the break on that one.

The Hon. STEPHEN LAWRENCE: Thanks, Minister, for your answers so far. Minister, the Parliament recently legislated for new parking fine laws. I was wondering if you could talk to us about how you are delivering on what you promised for motorists.

The Hon. COURTNEY HOUSSOS: Yes, I did reference our work that we're doing on parking fines earlier. It's true. I've even witnessed it myself, the parking rangers putting the fines physically back onto cars.

The CHAIR: Your car, Minister?

The Hon. COURTNEY HOUSSOS: Not my car. I was walking through the city at the time, and I spotted it, and I wanted to make sure I did pause for a little moment to make sure that—and I could see the parking ranger taking the photos and putting the appropriate notification on the windscreen of the unwitting driver. I'm making light of what I think is an important, practical and commonsense reform that's now in place. That came into effect from 1 July. This means that motorists and drivers will now receive that immediate notification. Importantly, they will have access to those photos that are collected by the parking ranger, but they also have the opportunity to do it themselves. As I've said on many occasions, Mr Lawrence, this is the opportunity—this is a really practical and commonsense change, but it also means that parking fines start being used to change behaviour and not just to raise revenue. I think that that's really important.

We're happy that this reform is underway. I'd make this point that, as I said earlier in relation to procurement, we're collecting a lot of data that councils are, for the first time. We're taking a look at that to make sure that they're working in practice. I'd really like to thank councils for the way that they've rolled it out. I know they did a lot of work in order to be able to roll out this immediate notification. It's important to note that the application of this legislation is to all councils across New South Wales. There were a number of councils that were previously in the ticketless parking system with Revenue NSW. Our changes actually apply to all motorists. That means, whether you get a parking fine in Dubbo or in downtown Drummoyne, you'll have the same—or you should have—experience and have access to the same level of data.

The Hon. STEPHEN LAWRENCE: Thanks very much, Minister.

The CHAIR: Thank you very much, everyone. We'll now have a short recess and reconvene at 11.15 a.m.

(Short adjournment)

The CHAIR: Thank you, everyone—Minister, officials—for returning refreshed and reinvigorated. We will recommence questions with 20 minutes of questions from the Opposition.

The Hon. SARAH MITCHELL: Morning, Minister.

The Hon. COURTNEY HOUSSOS: Good morning, Mrs Mitchell.

The Hon. SARAH MITCHELL: I just wanted to go back to some of the issues to do with the small-scale titles that Mr Borsak spoke about in the earlier session, particularly on behalf of the White Cliffs miners. I know you said before that you met with them recently or earlier this year—I think it was in April—in Lightning Ridge, but have you been to White Cliffs yet?

The Hon. COURTNEY HOUSSOS: No, I haven't been to White Cliffs, and the issues that we are facing in White Cliffs are different—related but different. We just have to handle these carefully. If you have specific questions, I may refer them to the deputy secretary. But I have met with the mining association on multiple occasions.

The Hon. SARAH MITCHELL: Do you have any plans to visit White Cliffs in the near future?

The Hon. COURTNEY HOUSSOS: Yes, I would love to go to White Cliffs.

The Hon. SARAH MITCHELL: Any diary commitments between now and the end of the year to head out there, or not at this stage?

The Hon. COURTNEY HOUSSOS: I would say I would love to go, but I would leave it at that in relation to it at the moment.

CORRECTED

The Hon. SARAH MITCHELL: I wanted to ask you about some of the specific recommendations in the review done by Terry Sheahan. I think you said to Mr Borsak that you hope to have a Government response to that report by the end of the year. Is that correct?

The Hon. COURTNEY HOUSSOS: Yes, what we're working towards is the Government response by the end of the year but, as I said to Mr Borsak, there are 81 recommendations. It's the first major review that has been done of the industry, I think, in more than a decade, so that work requires both immediate actions, more medium-term actions and then likely some longer term reforms. We're just trying to work through the prioritisation and, as well as the Government response that we're doing, just also the appropriate time frame for the implementation of some of those.

The Hon. SARAH MITCHELL: When you met with representatives from the White Cliffs Miners Association back in April, my understanding is—and I take what you say in terms of there being a number of recommendations—that there were a key number that they put to you in terms of the ones that they would like to support. I think there was one in particular about limiting the boundaries in that area that they have real concerns about. It has now been several months since you met with them. Is there any update that you can give me on that list, that spreadsheet, that they gave to you in terms of those specific recommendations? My understanding is that at that meeting you said that you would go away and consider that, and they're still waiting. I'm just wondering if there's any update you could give today.

The Hon. COURTNEY HOUSSOS: It's just worthwhile noting the report was undertaken—this is the independent report that was undertaken and provided to me—last year. As I said, the nature of the recommendations is that they are quite detailed, and we've had a pretty exhaustive consultation process in order to formulate the Government's response to do that. The specific feedback that the White Cliffs miners have given to me is informing the Government response, as is the working group that we established and that was chaired by the Hon. Stephen Lawrence. But these are really contentious issues. Like I say, there has been no substantive change in this particular part of the portfolio in more than a decade. We're just trying to prioritise which are things that we think we need to do first and which are longer term reform parts.

The Hon. SARAH MITCHELL: I appreciate that but, from the perspective of those who are wanting to mine out at White Cliffs, they met with you in April—I think they were quite positive about that meeting, and I'm happy to share that with you—but the concern is they were very specific in terms of some of their positions on this, and we're now in September and they're still waiting. Some of them could be watching today. Is there anything that you can give in terms of some of the specifics? Particularly, as I said, they were concerned about the boundaries being remade and re-declared by the secretary. They were very clear that they didn't want that to happen. Is there any update on that particular recommendation?

The Hon. COURTNEY HOUSSOS: If Dick and the team are watching, then I would say hello to them and I'd really thank them for their feedback, but I'm not going to make specific responses to specific recommendations today. The reason why we've done this in a considered way and, as you can see, in close consultation with a range of different stakeholder groups in a pretty contentious area of policy—I would say there are some very deeply held and opposing views, and I accept that it's likely that not everyone will support the ultimate outcome. But we're really trying to get consensus wherever possible, and what we want to do is make sure that we've got a great opal mining industry that can continue on. As Mr Borsak said, it's an amazing asset for the State of New South Wales and certainly one that's globally renowned, and we want to be able to support that. There are some specific issues at White Cliffs that we're trying to work through that are longer running, but I just won't speak to those specifically because of their nature. We've just got to handle those really carefully.

The Hon. SARAH MITCHELL: So by the end of the year would be when you would hope to have some sort of advice or information back to those mining communities. Is that the time frame?

The Hon. COURTNEY HOUSSOS: By the end of the year is when we expect to release the Government response to the report but, as I said, that's ongoing work.

The Hon. SARAH MITCHELL: Again, specifically to White Cliffs, some of the concerns that I'm hearing from that community—and it's obviously impacting tourism. I've been out there and seen it. It's very important. I think that you try to have that perspective if you get the chance to go. There are impacts on tourism but also just on the miners themselves. I've been told that they've lost a number of miners. I think there are 200, potentially, who could be working out there, but only 16 at the moment can mine. Does that concern you as Minister?

The Hon. COURTNEY HOUSSOS: Yes, it does, and I note a number of my ministerial colleagues have taken the opportunity to visit. In particular, I think it may be Minister Kamper who was speaking to me about the historic nature of the community at White Cliffs and the work that's undertaken there. It is really important. It has

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obviously been there and sustaining that community for a really long time. There are some specific issues that we're facing in restarting mining there, but we are hopeful that we'll be able to do that.

The Hon. SARAH MITCHELL: In relation to the overlay of the Federal issues and the native title claims and what's happening there, is that something you can provide an update on? Have you spoken with any of your Federal counterparts in relation to those issues?

The Hon. COURTNEY HOUSSOS: In relation to those issues, I'd come back to you on notice with a response because I just want to be really careful about what I say there.

The Hon. SARAH MITCHELL: I understand that, but all I'm asking is, firstly, have you had discussions with Federal colleagues about those specific issues?

The Hon. COURTNEY HOUSSOS: Again, as I said to you at the outset, as I flagged, those are the specific issues that we are working through carefully and delicately. I'll come back to you on notice with a response, or I can pass to the deputy secretary.

The Hon. SARAH MITCHELL: We can come back in the afternoon, Ms Beattie, but is there anything you wanted to add, like your conversations with Federal colleagues about these issues, specifically as they pertain to White Cliffs?

GEORGINA BEATTIE: One of the issues in White Cliffs is around native title, and so we are looking at options with the Commonwealth about a valid native title pathway for opal mining in White Cliffs. Those conversations are ongoing, but new claims can't be granted or renewed in White Cliffs where native title has been determined to exist.

The Hon. SARAH MITCHELL: Minister, again, I appreciate what you're saying in terms of taking some of the specifics on notice, and I do understand that. But can you give any sort of indication—and if you need to provide it on notice—of when you would hope to maybe work through those issues with the Commonwealth and come to some sort of resolution? I appreciate this has been happening for many years, and I know it's not a new issue. But just on behalf of that community, there is a really deep frustration, to be honest, at both levels of government—and probably the former and the current—in relation to how long these issues are taking and the concern and the impact that that has on that industry, which, as you said in response to Mr Borsak, is worth quite a lot of money to New South Wales and is very unique in what it can do. Is there any sort of resolution or time frame you're working towards as a government?

The Hon. COURTNEY HOUSSOS: I guess I'd just take this opportunity to assure the community that we're working through the issues. We're doing that carefully. We understand the importance, and I personally understand the importance of opal mining to the White Cliffs community, as I do to Lightning Ridge. I don't have a specific announcement in relation to that. I can just offer the—I guess I would say to the community we are really aware of that significance, and we will work through these issues carefully so that we can do everything we can to ensure the ongoing operation of the industry.

The Hon. SARAH MITCHELL: I wanted to just move more broadly to mining and exploration. How significant do you think they are for New South Wales, particularly in relation to trade and investment?

The Hon. COURTNEY HOUSSOS: Sorry?

The Hon. SARAH MITCHELL: For mining and exploration, those industries in New South Wales, in terms of trade and investment, how much of a priority is that for the Government?

The Hon. COURTNEY HOUSSOS: Yes, they're crucial for the State's economy, and I said earlier about the significance of coal exports. Like I said earlier, I consistently engage with our key trading partners in relation to our existing exports, but also in trying to find new opportunities to encourage investment. You might be aware that the upcoming International Mining and Resources Conference is going to be held again in October here in Sydney. It's—correct me if I'm wrong here, Deputy Secretary—one of the largest mining and resources conferences in the Southern Hemisphere.

GEORGINA BEATTIE: That's correct, Minister, yes.

The Hon. COURTNEY HOUSSOS: As part of that, on the sidelines of IMARC we have previously—and we will again—showcased some of the key projects, the key critical minerals projects, that are seeking investment and are capital ready—or seeking investment, I should say.

The Hon. SARAH MITCHELL: Do you have a figure of how much mining and exploration is worth to New South Wales on an annual basis? Do you have a breakdown of that?

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The Hon. COURTNEY HOUSSOS: Yes, that's in the budget papers in a range of different ways. In relation to exploration, that would probably be harder to quantify, but in relation to the contribution that it makes through royalties, that's available in the budget papers.

The Hon. SARAH MITCHELL: Where specifically can I find that in the budget papers?

The Hon. COURTNEY HOUSSOS: I used to have it tabbed. I'm not sure if it's tabbed here.

The Hon. SARAH MITCHELL: Do you have a figure with you there, or Ms Beattie, that you've prepared, maybe?

GEORGINA BEATTIE: I can add it's \$3.2 billion in royalties that the mining sector contributes to the New South Wales budget. Exports are obviously significant: It's \$26.1 billion in coal exports and \$5.52 billion in mineral exports—a very, very significant contributor to the New South Wales economy.

The Hon. SARAH MITCHELL: Thanks, Ms Beattie. Minister, you just said before about working with key trading partners. I'm just wondering if you've met with any potential investors from Japan or Korea, who my understanding is they're quite willing to invest in industries. Have you had any meetings with them at this point?

The Hon. COURTNEY HOUSSOS: Yes, so you would be aware of my meeting disclosures. I meet with regularly—I'd also say I work closely with my colleague the Minister for trade and investment, Minister Chanthivong, in making sure that we are facilitating that investment.

The Hon. SARAH MITCHELL: Do you think, generally speaking, New South Wales is an attractive place for investment when it comes to exploration and mining?

The Hon. COURTNEY HOUSSOS: I'd say that we are in a highly competitive global environment. I was at an event last week—it may have been the week before—in relation to gold mining and encouraging further investment in gold mining in New South Wales, which, given the global price of gold at the moment, that is particularly lucrative. But we want to be encouraging that investment. We know that it's a really competitive environment that we're operating within.

The Hon. SARAH MITCHELL: Are you aware of, or have you heard about, the Fraser Institute's *Annual Survey of Mining Companies*?

The Hon. COURTNEY HOUSSOS: Yes, I'm aware of that, and I'm aware of the recent release.

The Hon. SARAH MITCHELL: You would then, of course, be aware that New South Wales has fallen quite considerably. In 2020 I think we were ranked twenty-seventh out of 77 worldwide jurisdictions. Now in 2024 we've dropped to sixty-second. We're only ahead of Victoria and Tasmania in Australia. Does that concern you, that drop in that ranking?

The Hon. COURTNEY HOUSSOS: Yes, and I can't remember if it was in the report itself or in the public reporting of that particular report that directly related it to the issue that Mr Ruddick was speaking about with me earlier, which was the decision on the McPhillamys mine in Regis Resources. This is obviously one that the New South Wales Government supports and has been a very vocal supporter of. The Premier and the whole Government is supportive of that project. But we accept that has created a challenge. Certainly, in my engagement with both existing mining and exploration companies in New South Wales, but with our key trading partners and with potential investors, I would say that report didn't come as a surprise to me because of the feedback that they were giving.

As you have said, and as Mr Ruddick has said, generally I would say the feedback that I get from industry is that our Government is seen as supporting investment and wanting to be able to do that. Certainly, the release of our Critical Minerals and High-Tech Metals Strategy late last year assisted in that. We have implemented the—is it nation-leading?—royalties deferral scheme, which just came into effect. But, like I said, we are mindful that this is a global competition for capital investment and that, as companies are making decisions about whether to invest here in New South Wales or whether to be investing in other jurisdictions, that competition is high, I would say.

The Hon. SARAH MITCHELL: And that report also talks about the investment attractiveness score, and that specifically between 2023 and 2024 slipped from 68.26 down to 47.68. I appreciate what you're saying about McPhillamys, but I don't think other jurisdictions in Australia have the same sort of drop. Do you put that down to the McPhillamys decision? Is that why you think we're not as attractive for international investors?

The Hon. COURTNEY HOUSSOS: My recollection was that was, if not in the report, certainly in the public reporting of that report—was in relation to that decision. Like I say to you, the feedback that—I do regular engagement with industry. Just last week, I think it was, I met with our critical minerals advisory taskforce, which

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is a group that I've convened to provide us feedback as we implement our critical minerals strategy. You would be aware, Ms Mitchell, that ultimately the question in relation to McPhillamys is outside of our control.

The Hon. SARAH MITCHELL: I appreciate that, but the international public perception is New South Wales is not a place to do business.

The Hon. COURTNEY HOUSSOS: But the thing that is in our control is that we have implemented a royalties deferral scheme. We've also implemented a small grants program in relation to partnering with exploration, to really encourage those junior explorers to get out there and to find what's available. The other thing that we do is we release regularly data through the geological survey, to show where there might be—that's in partnership with the Federal Government. I think the geological survey is 150 years, this year.

GEORGINA BEATTIE: It is, this year, 150 years.

The Hon. COURTNEY HOUSSOS: But we continue to release that important data to encourage further investment and exploration across the State. So the resources within the department of regional development also offers a concierge service. Like I said, I think the key thing that we're going to be offering, and really trying to showcase in the lead-in to IMARC, are those—I think it's 12 projects. There was 12 last year, I think, that we showcased that are ready for capital investment. I'd say we're working closely with our Federal colleagues here. Minister King, our resources Minister, is a great partner in that. There's been some excellent developments at a Federal level as well. So we understand the competition for global capital is hot, but we are really wanting to put our best foot forward and encourage as much of that investment to be here.

The Hon. SARAH MITCHELL: Just in relation to your role as particularly Minister for Natural Resources, I note from your diary disclosures obviously a number of meetings. In particular I'm interested in a round table that you held, presumably in the Hunter, on 19 June just with a number of councils, and also a number of MPs. What was that more specifically about?

The Hon. COURTNEY HOUSSOS: I don't have the meeting disclosures in front of me, but from recollection 19 June sounds like it was probably when we did our Future Jobs and Investment Authority announcement.

The Hon. SARAH MITCHELL: Yes, so Minister Catley, the Hon. Emily Suvaal was there, Clayton Barr, Tim Crakanthorp, and Singleton and Muswellbrook councils et cetera.

The Hon. COURTNEY HOUSSOS: That's right, so that was the stakeholder briefing that we held after the Future Jobs and Investment Authority. As part of developing the Future Jobs and Investment Authority, we actually had a consultation process. The department invited a range of stakeholders to receive a more in-depth briefing in relation to that.

The Hon. SARAH MITCHELL: You did say earlier that you wanted to thank your colleagues who represent those mining-impacted communities and work in that space. I am wondering why Dave Layzell, as the member for Upper Hunter, wasn't invited to that round table, given that a couple of his councils were there. Was he not asked to attend?

The Hon. COURTNEY HOUSSOS: I don't recall why, but I'm happy to come back to you on notice. I just don't recall.

The Hon. SARAH MITCHELL: Ms Beattie, do you know whether Mr Layzell was invited, as the member for Upper Hunter?

GEORGINA BEATTIE: I'd have to check that as well, Ms Mitchell. I can't recall whether he was invited or not. I know he wasn't there.

The Hon. SARAH MITCHELL: I checked with him this morning and he said he wasn't asked to attend. I'm wondering, Minister, given that you had two of the councils from his electorate there, why there wasn't an invitation issued to an MP who has a very big role to play representing mining-impacted communities. Wouldn't it have been important to have had him there?

The Hon. COURTNEY HOUSSOS: Yes, sure. My starting point would be that they were people who had constructively engaged in the processes. We were developing our Future Jobs and Investment Authority.

The Hon. SARAH MITCHELL: You had a lot of Labor MPs, but you didn't invite a local member, even though you had two of their councils.

The Hon. COURTNEY HOUSSOS: That's because they would be all the members representing that particular part of the State who advocated—

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The Hon. SARAH MITCHELL: Muswellbrook and Singleton are in Upper Hunter. You had the councils there, but you didn't invite the local MP.

The Hon. COURTNEY HOUSSOS: Like I say, my starting point was people who had constructively engaged with me or with Resources as we developed the Future Jobs and Investment Authority. We had a long consultation process. We had a number of round tables. We had a submission process that the department coordinated. And, like I say, that was the opportunity for us to go back to those people who had engaged constructively with us. But I'm happy to come back to you on notice.

The Hon. SARAH MITCHELL: That would be good. Thank you.

The CHAIR: Minister, at what point does a parking fine depart from being a disincentive and become revenue raising, in terms of the quantum? At what dollar value do you think it becomes revenue raising?

The Hon. COURTNEY HOUSSOS: It's a great question, Mr Buckingham. In my earlier response to Mr Lawrence, I said that a particular part of our reforms to parking fines that I was really proud of was to refocus them on changing behaviour. This is certainly an issue that we've discussed. I don't know if I have a definitive amount, but I'd be open to what you've got to say.

The CHAIR: Is it the case that the former Coalition Government, either by legislation or regulation, set the minimum amount that a parking fine can be?

The Hon. COURTNEY HOUSSOS: I recall that you have raised that issue with me, and I do think that is the case.

The CHAIR: Do you think it would be fair to set a similar benchmark for the maximum amount it should be? Is \$110 enough of a disincentive for most people to avoid overstaying in a parking spot?

The Hon. COURTNEY HOUSSOS: I personally took a closer look at some of the amounts of parking fines as we were considering our parking fine reforms. I was a little bit surprised at some of the amounts at the higher end. My understanding is—and, as I've said to you before, Mr Buckingham, I'm happy to continue to talk to you about this—that some of those on the upper end are for, for example, parking in a disabled parking spot when you aren't entitled to be there. I think it is appropriate that that's a significant amount of money. I don't recall exactly how much that was, but I'd be happy to take a closer look at it.

The CHAIR: Thanks. You took on notice—and I think there was an indication from the secretary—an update on whether or not the point of consumption tax on online gambling is a point of consumption tax on online gambling.

MICHAEL COUTTS-TROTTER: Are you happy for me to respond?

The Hon. COURTNEY HOUSSOS: Yes. We did get you an answer on this one.

MICHAEL COUTTS-TROTTER: To confirm, a point of consumption tax applies to bets made by a person located in New South Wales. Under the Betting Tax Act 2001, a betting operator must take reasonable steps to identify the location of the person making the bet. The legislation allows, as you know, a betting operator to rely on an address given to the betting operator as the customer's residential address. I spoke to my colleagues in Liquor and Gaming NSW during the break. They are currently auditing compliance with the legislation. A lot has happened since 2001. If people are using a betting app, if they choose to reveal their location to the betting operator, it is possible for the betting operator to geolocate where that device is. That might be a means by which they can confirm where a bet is placed. Not everybody allows a firm to track their movements through an app. That's obviously available only in some circumstances. Suffice to say, Liquor and Gaming is having a look at this through the audit. I'm advised by my colleagues there that they should complete that soon, and then it's going to be an open question for government to deal with and digest the results of that audit and think about policy, if necessary.

The CHAIR: Is it the case that someone who is, let's say, on holiday here from interstate or internationally and gambling, and their residential address is listed with their wagering provider as where they were at home, they would not be paying the tax?

MICHAEL COUTTS-TROTTER: Potentially. If they were not using a betting app or they hadn't enabled geolocation, it would obviously be very difficult for a betting operator to determine where someone is at a point in time.

Ms CATE FAEHRMANN: Minister, I wanted to start by asking about the conduct of the Government as a State party in the proceedings in the National Native Title Tribunal's Gomeroi versus Santos Narrabri gas case. As you are aware, the most recent determination turned on whether or not it was in the public interest to

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develop new gas supply from Narrabri gas on climate change grounds. In this context, the Government's representative failed to inform the tribunal that New South Wales is not on track to meet any of its own legislated climate targets, including that the New South Wales Net Zero Commission says that fossil fuel gas use is contributing to this problem. Firstly, are you aware of that?

The Hon. COURTNEY HOUSSOS: I did answer some questions earlier today in relation to this from, I think, Mr Buckingham. I'm not aware of that specific development in the legal case. I'm certainly being kept aware of the developments. I'm also aware that the determination was handed down on 16 June this year and that it's currently subject to appeal proceedings before the Federal Court, so I will be careful about what I say.

Ms CATE FAEHRMANN: Sure. The issue that I'm pressing this morning, though, is the fact that the contention of the lawyers put forward by your department in their closing submission—this is on 14 February this year—urged the tribunal to place less weight on climate change as a public detriment and to give greater weight to new fossil gas supply from Narrabri gas out to 2045. That clearly does not align with your whole-of-government strategy when it comes to climate change and the Government's stated objectives around climate change. Do you think it was appropriate for your department's lawyers to have argued that in February this year?

The Hon. COURTNEY HOUSSOS: In relation to the specifics of it, I might get the deputy secretary to respond, because they are the ones responsible for providing the instruction to legal counsel in the case. The point I would make is the point I made to Mr Buckingham earlier, which is that this Government is absolutely committed to our net zero targets. We have legislated those. That is obviously something being led by Minister Sharpe, but it's a whole-of-government approach. At the same time, I'd also make the point that gas will play a critical role in our energy needs as we see the shift towards renewable energy. Minister Sharpe and I are working closely as we implement that. We understand the need for secure, reliable and affordable access to gas, particularly for our manufacturing industries.

Ms CATE FAEHRMANN: I can come back to the departmental officials later. In terms of the contentions put forward by your department's lawyers—which should reflect, I assume, your views and the Government's policy—they urged the tribunal to place less weight on climate change as a public detriment and to give greater weight to new fossil gas supply. Less weight to climate change—is that appropriate, in your view?

The Hon. COURTNEY HOUSSOS: Again, Ms Faehrmann, I don't have that particular—

Ms CATE FAEHRMANN: It's a question of public policy. You're the Minister for Natural Resources. This was in the Native Title Tribunal. It's a serious situation here, in terms of what your department's lawyers argued, which was to give less weight to climate change as a public detriment. The Net Zero Commission has found that this State isn't meeting its targets—largely, really, because of coal and gas. Gas is one of the ones that the Net Zero Commission called out. What responsibility are you taking for this as Minister?

The Hon. COURTNEY HOUSSOS: I'm really hesitant to provide specific commentary, particularly on the legal case as it occurred. As I said to you at the outset, given that the State is a listed party, I just want to be really careful about what I say. I've been clear, though, that our Government is absolutely committed to our net zero targets, and we're taking a range of actions. That's obviously being led by Minister Sharpe, but we're certainly working closely as we implement that.

Ms CATE FAEHRMANN: Is this a direction that's coming from you, Minister? Let's look at it in terms of overall policy coming from your department. Do you agree that departmental lawyers should be arguing or urging the tribunal to place less weight on climate change as a public detriment? That's in the past. I'm not talking about the appeal.

The Hon. COURTNEY HOUSSOS: No, Ms Faehrmann. As I said, I'm going to be really careful about what I say today, given that this is subject to ongoing legal proceedings. I would say, if you wanted a response in relation to the specific instructions that were provided—

Ms CATE FAEHRMANN: What about policy?

The Hon. COURTNEY HOUSSOS: Ms Faehrmann, again—

Ms CATE FAEHRMANN: Let's just lift out of the court case and talk about general policy, because it's a really significant whole-of-government policy. Do you—

The Hon. COURTNEY HOUSSOS: Yes, and I've been clear that we are committed to net zero targets, but we also understand the importance that the Government has in relation to ensuring that we have energy security. It's not a black-and-white answer. This is something that we have to delicately manage and work our way through. But I'm not going to provide reflections on specific instructions that were provided in a legal case that is currently subject to appeal. I'm not a lawyer, but I'm going to be very careful about what I say there.

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The CHAIR: Ms Faehrmann, you've got another 10 minutes.

Ms CATE FAEHRMANN: Minister, on another issue for now, the Critical Minerals and High-Tech Metals Activation Fund, in November 2022 RZ Resources was granted half a million dollars under that fund. At the time that those grants were provided, NSW Resources said the grants were:

... assessed against the published guidelines ... The process included an independent panel, independent probity advisor, compliance history review and evaluation against the published guidelines ...

Is that the understanding for the companies that have received that funding?

The Hon. COURTNEY HOUSSOS: You raced through the assessment guidelines, but they sound pretty reasonable to me. I would make the point that November 2022 was under the previous Government and that we did inherit a number of grants that had been awarded but were at various stages of their funding actually being issued. In relation to specific grants and specific projects, I'd probably pass to the deputy secretary. I am broadly aware of the issue that you're speaking about, but—

Ms CATE FAEHRMANN: Yes, that occurred under the previous Government, in terms of the granting of that. I can speak to the officials about that as well, maybe in the afternoon. In May 2023—so obviously just after your Government was elected—the newsletter of Mining, Exploration and Geoscience stated that there was an enforceable undertaking with RZ Resources and that they had committed over 100 offences undermining legislation in New South Wales across multiple titles. In terms of looking at companies like RZ Resources—because there's a lot of exploration going on in New South Wales; there are a lot of exploration titles and licences—what are you doing to ensure that these companies that are out there have a good record as opposed to a litany of offences, which is what this one company has been found to have? I've asked this in previous budget estimates, as well, about different companies.

The Hon. COURTNEY HOUSSOS: I would acknowledge that you've asked me a number of questions in previous budget estimates and also then, in that particular one to me. In relation to RZ Resources, I am certainly aware of the company. I have been briefed in relation to some of those specific allegations, but I probably would refer to the deputy secretary. It is an Australian-owned mining company. It does specialise in mineral sand resources, including critical minerals and rare-earth elements. You might be aware—I think it was even in the newspaper today or perhaps yesterday—the question around rare-earth elements and the access to rare-earth elements is going to be one that we're likely to see more demand for, particularly given the actions that China is taking in relation to trade restrictions in that space. I am aware of the particular circumstances in relation to RZ Resources and that particular project—I think it's just outside Balranald—but it's probably best for the deputy secretary to provide you with the specifics.

GEORGINA BEATTIE: I'm happy to talk to that. RZ Resources, as you mentioned, did enter into an enforceable undertaking with the Resources Regulator. While that was underway, payment of that funding was suspended, and then the company complied with all of the actions in that enforceable undertaking. The grant funding, as the Minister said, which was a commitment under the former Government, was about undertaking a definitive feasibility study for their Copi Mineral Sands Project, and that is one of the critical minerals that is identified in our critical minerals strategy.

Ms CATE FAEHRMANN: One of the questions I was going to ask, Ms Beattie—the reason I'm bringing this up is because there is still a landholder who is suggesting that the regulator has been noncompliant in relation to dust and noise pollution issues, a lack of community consultation and a range of different issues. They're finding that the regulator is coming out and visiting their property, looking into the issue and finding repeatedly that there are no compliance issues in relation to this mining company's activities. For example, I've seen photos of exploration holes that haven't been filled, which the regulator says have been completely rehabilitated. RZ Resources has been fined, but the regulator doesn't seem to be effectively monitoring and ensuring that this company is complying with its conditions.

GEORGINA BEATTIE: The Resources Regulator investigates every complaint received. We look thoroughly into those. Jamie Tripodi, the Acting Executive Director of the Resources Regulator, can run through some of the details about any investigations underway. But there have been some investigations where complaints have not been sustained, which is what I think you're referring to, but—

Ms CATE FAEHRMANN: Yes, I'll come back to those details.

The Hon. COURTNEY HOUSSOS: I just make this point, Ms Faehrmann. I have had concerns raised with me by the local member down there, and we've looked closely into those. But if you raise new allegations, we will look into them closely.

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Ms CATE FAEHRMANN: Thank you. Minister, I want to ask about Bowdens lead and silver mine. I understand that you met with Silver Mines, firstly.

The Hon. COURTNEY HOUSSOS: Yes.

Ms CATE FAEHRMANN: Sorry, you met with Bowdens in September last year, according to your diaries. Jo Battershill, the CEO of Silver Mines, said in an interview with a German investor service that in a meeting that he had with you, he was asked, "What do I tell the world's investors?" to which he said that you said to him, "Silver Mines has the full support of the New South Wales Government. You can quote me on that." This is after the court case in relation to Bowdens. You met with them and you told him that. Is that correct?

The Hon. COURTNEY HOUSSOS: You asked me again a series of questions in relation to that. I take in good faith—

Ms CATE FAEHRMANN: I just said, "Is that correct?" I laid out everything else, actually.

The Hon. COURTNEY HOUSSOS: I take in good faith that you've read my meeting disclosures and it was in September. I don't recall exactly when the meeting was. I do recall that it was on the eve of—it was about the time that we were discussing the McPhillamys goldmine situation. I believe it was on the eve of the Denver gold show. That was where a range of mining companies were going to. There was going to be a discussion, similar to what I spoke to Ms Mitchell about earlier, about whether New South Wales was a good place to invest. In that context, I said, "Yes, we want investment here." I don't recall the exact words that I said, but certainly we want to see more investment in critical minerals and high-tech metals here in New South Wales. You would appreciate, Ms Faehrmann, that these are largely critical minerals and high-tech metals that will be crucial for our renewable—

Ms CATE FAEHRMANN: Well, we can argue about whether silver is a critical mineral exactly.

The Hon. COURTNEY HOUSSOS: Yes, and we've had that discussion here previously. But they are crucial for our renewable energy future. My strong view is that it is better to have them safely mined here in New South Wales rather than some of the other global options that are other sources of supply.

The CHAIR: Minister, do you think that the Clarence Valley is a safe place for us to look for critical minerals and high-tech metals? There is a community alliance there, the Clarence Catchment Alliance, who are lobbying the Government to exclude their catchment from the strategy. What's the Government's position on goldmining, antimony mining in the Clarence catchment?

The Hon. COURTNEY HOUSSOS: My position on that—Mr Buckingham, I am aware of the community alliance. I understand that they were at Parliament a couple of weeks ago. I believe that my office met with them while they were here. I'm aware of the concerns of the local community. I'd make this point: Anywhere in New South Wales, there needs to be a robust regulatory framework for mining to occur. The fundamental difference about our mining industry in New South Wales with other jurisdictions across even Australia is that our mines are largely positioned close to local communities. Now, that's got great benefits for our regional towns in the sense that we can have them sustained by those local mining operations. We can have them as members of local football teams. We can have them sending their kids to local schools. They are important local jobs that can be anchoring our regional communities. I understand that there are concerns in the Clarence Valley. I would say that we are certainly going to engage with those concerns, but it is not my intention to start ruling out parts of the State for mining at this point.

The Hon. SARAH MITCHELL: Minister, you're a shareholder Minister for Forestry Corporation, that's correct?

The Hon. COURTNEY HOUSSOS: Yes, I am.

The Hon. SARAH MITCHELL: Can you provide an update on the board appointments to Forestry Corporation? Are there any positions that have remained outstanding at the moment?

The Hon. COURTNEY HOUSSOS: In relation to Forestry Corporation, you are right, I am a shareholding Minister with the Treasurer. Part of our responsibilities as a shareholding Minister is to make appointments to the board and also to set the statements of corporate intent, the framework for how the bodies are going to operate. I don't recall exactly across the—I think it's six or seven different SOCs that I'm a shareholding Minister for. But I'd be happy to pass to the secretary, who could tell you—

The Hon. SARAH MITCHELL: Sure. Any vacancies at the moment, Mr Coutts-Trotter?

MICHAEL COUTTS-TROTTER: Just to confirm, according to the information available to me, Ms Mitchell, there are currently two vacancies on the board.

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The Hon. SARAH MITCHELL: When would you expect those positions to be filled? Is there a reason why they haven't been already?

MICHAEL COUTTS-TROTTER: Sorry—a question to me?

The Hon. SARAH MITCHELL: Yes, either of you.

MICHAEL COUTTS-TROTTER: Subject to government decision-making.

The Hon. SARAH MITCHELL: Minister, in relation to the statement of expectations, you mentioned that you signed that, I think, with the Treasurer and the Minister for Agriculture as well. Your top priority for Forestry Corporation was to work with the Government to deliver the Great Koala National Park and the Forestry Industry Action Plan. What role do you see Forestry Corporation playing in the delivery of the Great Koala National Park?

The Hon. COURTNEY HOUSSOS: I'll take in good faith that you're reading it from the statement of corporate intent. I don't have that in front of me right now, but that sounds logical to me. That's a key election commitment that I know Minister Moriarty and Minister Sharpe are working through, but I don't have an announcement in relation to the Great Koala National Park except to say that it is an election commitment and we expect that Forestry Corp will work with the Government as we implement that election commitment.

The Hon. SARAH MITCHELL: Are you aware that Forestry Corp was not represented on the industry advisory panel consulting on the koala park or the steering committee? Is that in line with what you would expect?

The Hon. COURTNEY HOUSSOS: Again, I can't recall if I was briefed on that particular group. I assume that I would have been but, yes, I can't recall.

The Hon. SARAH MITCHELL: Could you maybe take that on notice and come back to me with an answer?

The Hon. COURTNEY HOUSSOS: Sure. I would make the point again that the implementation of the Great Koala National Park is really a policy that is being led by Minister Sharpe and Minister Moriarty, so they're probably best placed to be answering questions in relation to placement on the—what was the name—industry advisory boards and the like.

The Hon. SARAH MITCHELL: The industry advisory panel or the steering committee. I appreciate that, but your name is also on—you are a signatory as a shareholder Minister. If you could come back to me on what your understanding is on that, even on notice, I would appreciate that.

The Hon. COURTNEY HOUSSOS: Sure.

The Hon. SARAH MITCHELL: Broadly in relation to the softwood timber industry—obviously very critical to the housing sector—have you given any direction as a shareholder Minister to Forestry Corporation to look at expanding the softwood estate so that the Government can meet its housing target?

The Hon. COURTNEY HOUSSOS: I might come back to you on notice in relation to that. We've certainly done some work with Forestry Corp, because it is currently projected—the secretary would correct me if I'm wrong here. I think the losses are projected to the end of this decade. We're certainly looking at different work that we need to be doing across the corporation. You were asking whether we have issued a directive in relation to expanding—

The Hon. SARAH MITCHELL: What direction have you given them in terms of expanding the softwood estate to meet those housing targets?

The Hon. COURTNEY HOUSSOS: You would accept that there is quite a long lead time between establishing a plantation and it coming to fruition. From memory it's more than two decades. We are doing a range of things in order to address the housing shortages that we inherited because of the lack of action from your Government.

The Hon. SARAH MITCHELL: This was about what you have done. But if you're happy to take that on notice in terms of any directions, that would be great.

The Hon. DAMIEN TUDEHOPE: Mr Smythe, I think we were discussing the situation in relation to surcharge duty and exceptional circumstances. It's not a hardship issue necessarily and the bright-line position is that the number of days someone is outside of the jurisdiction gives rise to non-discretionary circumstances in relation to the commissioner's ability to waive land tax liability in relation to surcharge duty. That's correct, is it?

CULLEN SMYTHE: That's right.

CORRECTED

The Hon. DAMIEN TUDEHOPE: So the only option which would be available to the Government and to the Minister would either be by way of ex gratia payment or ex gratia acknowledgement or, alternatively, to amend the legislation to provide for exceptional circumstances.

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: Minister, when you spoke to Ben Fordham in February and told him that you were to update the guidelines to provide for exceptional circumstances so that families caring for terminally ill overseas relatives would not be subject to land tax bills, did you understand that you would be amending the legislation to provide that discretion?

The Hon. COURTNEY HOUSSOS: I won't necessarily accept the premise of your question in the way that you've characterised my response to Mr Fordham, unless you've got a specific quote to read out to me. What I will say is that I have asked Revenue NSW to actively commission the creation of a common practice note that deals with the operation of surcharge land tax and the current legislative exemptions and that that work is underway.

The Hon. DAMIEN TUDEHOPE: So you understand that, if that is a reflection of the existing circumstance, the issue which you addressed on Mr Fordham's show in February would not give any relief to that family who were looking for a critically ill relative overseas, would it?

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope, on the show with Mr Fordham and here, I'm not going to canvass the individual circumstances of an individual. You would be aware, as a former finance Minister, of the very strict requirements around tax secrecy. I also just don't think it's appropriate to canvass them in this particular forum.

The Hon. DAMIEN TUDEHOPE: You canvassed it on the radio.

The Hon. COURTNEY HOUSSOS: I would say this, Mr Tudehope. This is a particular family that have made particular representations. Is it your testimony here that that family has made representations to you?

The CHAIR: Order! Minister, we won't ask the member questions.

The Hon. COURTNEY HOUSSOS: The reason I ask it, with respect, Chair, is that the provisions of the tax secrecy laws, which Mr Tudehope asked me about at the outset, actually say that I need to seek permission from the individual. Before engaging with any discussions about a particular individual, I would want assurance that you had got that release from that particular individual.

The Hon. DAMIEN TUDEHOPE: What I am putting to you is the conversation you had with a radio presenter in February where you identified making arrangements to cover exceptional circumstances, including caring for seriously ill overseas residents. Are you now saying to that family that that was an idle suggestion? Absent changing the legislation or, alternatively, making an ex gratia payment to the family, you're not in a position to move away from the provisions of the legislation, are you?

The Hon. COURTNEY HOUSSOS: No, you are incorrect, Mr Tudehope. As a former finance Minister, I would expect that you would understand that this is a complex area of law and that was indeed—

The Hon. DAMIEN TUDEHOPE: You tell me how I'm incorrect.

The CHAIR: I think she's just about to.

The Hon. COURTNEY HOUSSOS: Are you finished, Mr Tudehope?

The Hon. DAMIEN TUDEHOPE: Yes, tell me how I'm incorrect.

The Hon. COURTNEY HOUSSOS: As I said on the radio, and as I will say to you here now, I'm not going to discuss an individual's circumstances unless you can provide me with an attestation that that family has asked you to raise them specifically with me. What I can tell you is the same thing that I said on the radio, which is that my responsibility as the Minister is to set the framework and that individual matters are administered by the chief commissioner and by Revenue NSW.

The Hon. DAMIEN TUDEHOPE: So when—

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I will finish my answer. In response to that, that framework includes legislation and also guidelines. I would expect that work is underway. I just said to you that I have asked Revenue NSW to actively commission the creation of a common practice note that will deal with the operation of surcharge land tax and the current legislative exemptions. The provision that is in place at the moment is that you must conform with the 200-day rule. But it is my expectation that, in administering that, it would be

CORRECTED

done fairly and with mindfulness towards individual hardship circumstances, and that's what has been outlined today.

The Hon. DAMIEN TUDEHOPE: Mr Smythe, would that require some legislative arrangement in relation to the guidelines that the Minister has indicated in relation to relief in exceptional circumstances?

CULLEN SMYTHE: No, Mr Tudehope. There's a subsection (2B) of section 5B of the legislation to which—I don't want to put words into the Minister's mouth, but I believe this is the section she's referring to. It states:

The Chief Commissioner may, in exceptional circumstances, waive the requirement in subsection (2A) ...

Which is a reference to the person not residing or using a property as their principal place of residence while they're temporarily absent from Australia. There is scope for Revenue NSW to provide some more information to individuals to understand the operation of that subsection (2B).

The Hon. DAMIEN TUDEHOPE: But is there scope for Revenue NSW to waive the 200-day requirement?

CULLEN SMYTHE: In exceptional circumstances, and subject to the bright-line requirements that were outlined in that decision I referred to earlier in the day, which was Chen versus—

The Hon. DAMIEN TUDEHOPE: Chen's case.

CULLEN SMYTHE: Chen's case, that's right.

The Hon. DAMIEN TUDEHOPE: In those circumstances, is it open to the Minister to remove or grant exceptional circumstances for the 200-day limit?

CULLEN SMYTHE: It's not open to the Minister.

The Hon. DAMIEN TUDEHOPE: Is it open to the commissioner?

CULLEN SMYTHE: The chief commissioner.

The Hon. DAMIEN TUDEHOPE: Chief Commissioner, have you, in the circumstances that have been outlined by the Minister, made a decision about whether exceptional circumstances existed in relation to the issue that arose which was referred to in her radio interview in February?

PHIL MINNS: Again, it's an issue about secrecy, Mr Tudehope. Certainly, the matter was raised with me and I was asked to review it. I have done that and the matter is settled with the taxpayer.

The Hon. DAMIEN TUDEHOPE: And the taxpayer has been advised of that, have they?

PHIL MINNS: Yes, that's my understanding.

The Hon. DAMIEN TUDEHOPE: Minister, in relation to your commitment to implement a debarment scheme to ban dodgy suppliers from government procurement, when will such a scheme commence?

The Hon. COURTNEY HOUSSOS: Again, that's part of the work that I discussed earlier in relation to our local content policies. It's also part of the work that we're doing in relation to the Jobs First Commission. You would be aware, Mr Tudehope, that the only other jurisdiction that operates a debarment scheme is Western Australia. But we have welcomed that particular recommendation from the ICAC, and we are in the process of working through how a debarment scheme might work in practice in New South Wales.

The Hon. DAMIEN TUDEHOPE: It's 12 months since you announced that. Mr Gadiel, can you tell us where that's up to?

The Hon. COURTNEY HOUSSOS: I can tell you.

The Hon. DAMIEN TUDEHOPE: No, I'm asking Mr Gadiel.

MICHAEL GADIEL: Mr Tudehope, that's a matter for government.

The Hon. DAMIEN TUDEHOPE: But there is a process in place to implement that debarment scheme, is there?

MICHAEL GADIEL: We are supporting the Government in its consideration of that scheme, but the details—

The Hon. DAMIEN TUDEHOPE: Can you indicate a time we could expect to see that scheme being implemented as part of the procurement process?

CORRECTED

MICHAEL GADIEL: I'd refer you to the Minister. It's a matter for government.

The Hon. DAMIEN TUDEHOPE: Do you know?

MICHAEL GADIEL: Again, I'd refer you to the Minister because it's a matter for government.

The Hon. DAMIEN TUDEHOPE: Do you know, is my question.

The Hon. Dr SARAH KAINE: Point of order: Mr Gadiel has exercised his right to refer the question and answer to the Minister, as he should because it's a matter of policy. Mr Tudehope has continued to raise the same question. I ask that he be directed to move on.

The CHAIR: Yes, I uphold the point of order. Mr Gadiel has referred it back to the Minister. The question should be directed to the Minister.

The Hon. COURTNEY HOUSSOS: To assist the Committee, Mr Buckingham, what I can say is that one of the things that has come through the consultation process is that the debarment scheme as it operates in Western Australia debars—and it's worthwhile noting, Mr Tudehope, that this would mean that a particular supplier could not engage in any work with the New South Wales government. That's a pretty significant step to be taking for any company. One of the things that we are considering is having more of a graduated approach. For example, it may mean that you would be debarred for a certain period of time, for a smaller amount of time, or there may be other penalties that apply. We do think this is important as we provide more central oversight in how we spend our procurement dollars and making sure that, if there is a supplier that shouldn't be procuring with the New South Wales government, we're really clear and we send that message right across the New South Wales government. But before we take that step, there are a range of things that we need to take into consideration, including principles around natural justice.

The Hon. DAMIEN TUDEHOPE: Minister, yesterday your colleague the Minister for Small Business released a progress report for the Charter for Small Business, of which principle 4 is to boost government procurement from small business. The progress report states:

The Business Connect procurement specialists continue to provide tailored business advice for small businesses interested in selling to government, over 700 customers received 870 hours of specialist support in 2024.

This valuable support is about to end on 30 September. Who's going to provide it after 30 September?

The Hon. COURTNEY HOUSSOS: With respect, Mr Tudehope, you've already asked me that question, and I have provided you—questions in relation to the progress report that was released by the Minister for Small Business yesterday would be best directed to the Minister for Small Business when she appears before an estimates, I recall, on Friday. The point I would make is that, in relation to procurement, I recently released figures that show the procurement spend with small and medium-sized businesses is at record levels, and that's important work. Part of the reason, I believe, why we're seeing that is as a result of the ministerial direction that I issued.

One of the first things I did after being sworn in as the Minister for Domestic Manufacturing and Government Procurement was to issue a direction to the Procurement Board to—actually, I'm not sure if it was to the Procurement Board. I might be corrected there, but I issued a ministerial direction that would implement our election commitment to increase the amount that small and medium-sized enterprise could directly procure with the New South Wales Government, and I have to say we have had really positive feedback in how that's being implemented right around the State.

The Hon. DAMIEN TUDEHOPE: Minister, you'd be aware of the commitment by the Government to the delivery of the Penrith indoor sports precinct?

The Hon. COURTNEY HOUSSOS: No, I'm not aware of that.

The Hon. DAMIEN TUDEHOPE: You're the Minister for Western Sydney?

The Hon. COURTNEY HOUSSOS: I'm the Acting Minister for Western Sydney at the moment. But I am not aware of that particular election commitment.

The Hon. DAMIEN TUDEHOPE: Perhaps you could take these questions on notice then.

The Hon. COURTNEY HOUSSOS: Sure.

The Hon. DAMIEN TUDEHOPE: I'm not critical of you for not knowing. Can you tell us what the time frame for the delivery of the public works associated with the precinct is and confirm, as part of that, that the State Government will cover the cost escalations in the project so as to ensure that the council does not have to bear those costs?

CORRECTED

The Hon. COURTNEY HOUSSOS: With the greatest of respect, Mr Tudehope, I'm answering questions in my substantive portfolios here today. I'm the Acting Minister for Western Sydney. I'd be happy to take—

The Hon. DAMIEN TUDEHOPE: That's your portfolio.

The Hon. COURTNEY HOUSSOS: I appeared at estimates last week in the portfolios of Education and Western Sydney, before Portfolio Committee No. 3, and I answered a range of questions there. But I'm happy to take those on notice and come back to you.

The Hon. DAMIEN TUDEHOPE: Thank you. In your capacity as the education Minister, I'm going to ask you a question, since you raised workers compensation earlier. How many teachers currently are making claims for workers compensation in New South Wales at the moment?

The Hon. COURTNEY HOUSSOS: Mr Tudehope, I'm the acting education Minister whilst the current education Minister is seeking treatment. We discussed a range of Education issues last week. Your colleague Ms Mitchell asked me a number of questions. I will take that on notice.

The Hon. DAMIEN TUDEHOPE: Thank you.

The Hon. COURTNEY HOUSSOS: But I would direct you that that was really the opportunity if you wanted to be asking me questions about Education.

The Hon. DAMIEN TUDEHOPE: Can I also ask you to take on notice how many of those teachers who are seeking workers compensation payments have a whole person impairment of between 20 per cent and 30 per cent.

The Hon. COURTNEY HOUSSOS: Again, Mr Tudehope, your opportunity to ask me questions in relation to the Education portfolio was last week. And I'd say this—

The Hon. DAMIEN TUDEHOPE: You're in the room with me today, Minister. Minister, are you concerned that the Crown Solicitor approved for Revenue NSW a deed of release that became the subject of a damning report by the NSW Ombudsman in relation to a potential criminal offence which may arise in respect of that deed of offence?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. DAMIEN TUDEHOPE: Have you sought a briefing in relation to that?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. DAMIEN TUDEHOPE: And what's your response to the Ombudsman?

The Hon. COURTNEY HOUSSOS: I find that conduct completely unacceptable. I am aware of the conduct, but I understand your time has expired, and I'd be happy to answer further questions when we come back to you.

The Hon. DAMIEN TUDEHOPE: You'd be happy to answer—

The Hon. COURTNEY HOUSSOS: Further questions when we come back to your time.

The Hon. DAMIEN TUDEHOPE: I think you might have exhausted my time. That might be a relief to you, Minister. I might get a couple of minutes.

The CHAIR: You'll get a couple of minutes at the end there, Mr Tudehope. Minister, the US cannabis industry is growing at a compounding annual growth rate of 34 per cent. In 2022 it was worth \$43 billion to their economy. In 2023 it was worth \$57 billion. And predictions are that it will be worth over \$400 billion per annum to the US economy by 2032, making it comparable to the alcohol industry. And, in actual fact, the alcohol industry is in decline. What are some of the policies that you are promoting in this State to attract the medicinal cannabis industry to the State?

The Hon. COURTNEY HOUSSOS: Mr Buckingham, you've certainly asked me questions in relation to the opportunities in relation to medicinal cannabis and the manufacturing here. I know that we do have some companies that are doing some great work. I think from memory it was around the north of the State. The work in relation to specific industries has really been set by our Industry Policy, and that's led by Minister Chanthivong. He released that and talked about the specific opportunities, particularly in relation to renewable energy, critical minerals, mining, amongst other things.

The CHAIR: Did it mention medicinal cannabis?

The Hon. COURTNEY HOUSSOS: I don't believe it did, but I'd be happy to come back to you on notice.

CORRECTED

The CHAIR: The Victorians have a medicinal cannabis industry policy but New South Wales does not have a policy to help promote one of the fastest growing industries in the world.

The Hon. COURTNEY HOUSSOS: I certainly would take that on board, Mr Buckingham, and I have to say I was surprised by the figures that you just read out then. They're certainly encouraging. I'd make the point that the Industry Policy is the first one that has been released in, I think, many decades, and that's really an initiative that's being led by Minister Chanthivong. As the Minister for Domestic Manufacturing and Government Procurement, my main focus is in relation to how we can be using the Government Procurement spend to be fostering our local domestic manufacturing industry. But I do have the opportunity to visit and to engage with a range of other domestic manufacturing companies and hear about the challenges they're facing. I'd be happy to take on board the feedback that you're providing and meet with any particular companies that you might like me to meet with.

The CHAIR: What does "take on board" mean? At the moment, you can't point to a single thing that the Government is doing to help support this sector.

The Hon. COURTNEY HOUSSOS: I wouldn't say we can't point to a specific thing. I would say that we are open to—if there was a specific thing that they were asking for us to do, I think we have discussed previously some Federal policy changes that could be made, and I'd be happy to engage with those further if that's something that we could be doing. But I'd make this point: There are tens of thousands, if not hundreds of thousands, of local manufacturers who do fantastic work right across the State each and every day. I had the opportunity to visit the Arnott's factory just last week with the Premier, and that's a business that's been operating for 160 years. We've got other manufacturing businesses, for example, like Visy, that I visited a couple of months ago.

The CHAIR: Do you think the global biscuit industry is going to be worth half a trillion dollars in 10 years?

The Hon. COURTNEY HOUSSOS: I'd say there's some encouraging international opportunities for our Tim Tams that I won't write off and that they were telling us about last week. But you make a good point about the opportunities. I would be happy to engage with you further in relation to those opportunities if there's a specific ask. But the main focus of my work as the Minister for Domestic Manufacturing and Government Procurement is specifically in relation to how we can leverage those Government Procurement spends, and I would suggest that perhaps in the area of medicinal cannabis it may be somewhat limited.

Ms CATE FAEHRMANN: Minister, earlier you said that, in New South Wales, mining is taking place more around populated areas than other jurisdictions or States?

The Hon. COURTNEY HOUSSOS: I said that a feature of our mining industry is that it largely does occur. We do see in other States what is known as FIFO workers, you would be aware. While there are some parts of the New South Wales mining industry that operate like that, I would say that large parts of our mining industry do operate close to communities. The terminology that's been given to me is we have drive-in drive-out rather than fly-in fly-out. As I said earlier, that means that those mining jobs can support regional communities across the State.

Ms CATE FAEHRMANN: Are you aware as well, in terms of the mining that is in Broken Hill, of the research that the Government has had for quite a number of years now by Mark Taylor that shows that current mining emissions in Broken Hill are driving up blood lead levels in the children of Broken Hill?

The Hon. COURTNEY HOUSSOS: I'm broadly aware of the research. I understand that that work in relation to that report is being led through TCO, but I will answer any specific questions that you might have.

Ms CATE FAEHRMANN: Just in terms of the appropriateness of a mine that is mining lead to be approved or built near a community, do you think it is appropriate for a lead mine—a mine that is mining lead—to be constructed and to be operating two kilometres from a primary school? Let's use that as an example.

The Hon. COURTNEY HOUSSOS: The points I'd make in relation to that research from Broken Hill, which, like I say, I'm broadly aware of—and I can see where you may be going in relation to that. The point I'd make about Broken Hill is that I'm told there are high levels of lead actually in the soil in Broken Hill. So I would be very cautious about drawing comparisons about research in Broken Hill versus the rest of the State. The other point I would make is that there is a very long history of mining in Broken Hill. Indeed, some of the overburden—I think that's the correct terminology—is actually located in the centre of the town. Again, I would be really careful about equating research that happens on a specific part of the State, in Broken Hill, against another part of the State.

CORRECTED

Ms CATE FAEHRMANN: Minister, the report was specifically made, or produced, as a result of the Broken Hill lead program, a whole-of-government program. The research was done at the request of Government. It was then, basically, suppressed for four years, including your department, but other departments knew about this report. Specifically, which is the most important thing about this report, it highlights the fact that it is current mining—as well as historical but, most importantly, current mining—that is contributing to the air quality and that is contributing, yes, to the soil but on the top of the soil, in terms of children's blood lead levels. There were specific strategies to reduce the blood lead levels in Broken Hill. That's the most important bit, firstly. I just want to make sure that you're aware that that's what this report has found, because it sounds like the briefing notes you've got in front of you aren't correct.

The Hon. COURTNEY HOUSSOS: Ms Faehrmann, there was a series of assertions that you made. In response, I would make the point that the Broken Hill Environmental Lead Response Group is a New South Wales Government inter-agency group. It was established by the Premier in 2023, and it's to coordinate a long-term whole-of-government approach. If you have specific allegations in relation to the actions of my department in suppressing research or the like, then I'm happy to take those on board, if you have specific allegations, and come back to you on notice. The point I made at the outset was that Broken Hill and the research that is conducted there would be somewhat unique to the unique nature of Broken Hill. I love Broken Hill, I should say. I've been there many times. But it is very unique, and there are some unique factors in relation to that. I'd also make this point, Ms Faehrmann, which is my responsibilities as the Minister for Natural Resources in the mining industry are largely in relation to workers, and the EPA really has that broader community approach. That's why we're—

Ms CATE FAEHRMANN: You did just say, though, earlier, in terms of one of the unique things, as though this is also positive about mines being near populations. I'm just asking if you're aware that this particular mining region is very, very problematic for the children in Broken Hill.

The Hon. COURTNEY HOUSSOS: In relation to my broad assertions earlier that the jobs supported by the mining industry are important across regional New South Wales, we do want to be able to continue those, but we have a robust regulatory system in place to protect communities. This is where there is the interaction between the worker, for example, and the EPA in relation to the broader community monitoring and also with my department. If you have specific concerns about specific projects, I'm happy to take those on notice and see whether they would be appropriately answered by me or perhaps by Minister Sharpe in her responsibilities supervising the EPA.

The Hon. DAMIEN TUDEHOPE: Mr Smythe, if a doctor is operating a surgery on their property which is primarily a residential property—so it's a commercial use and a residential use on the same block of land—land tax would be potentially payable in relation to that part of the property which was being used for a commercial premises, would it not? They're the 9D and 9C guidelines, I think.

CULLEN SMYTHE: It's often a question of degree. It's not the easiest question. Let me say I wouldn't rule out that land tax would potentially be payable in some circumstances but not in all circumstances.

The Hon. DAMIEN TUDEHOPE: How you would make the decision in relation to whether that property would be subject to land tax?

CULLEN SMYTHE: There are a number of factors that you'd take into account: the degree, the area, the intensity of use. It's very difficult to comment on something like that without a realistic bundle of facts that we could work our way through.

The Hon. DAMIEN TUDEHOPE: Are you aware that the Premier of Victoria recently was subject to some criticism because she refused to rule out land tax in circumstances where legislation was being introduced in relation to working from home?

CULLEN SMYTHE: I'm aware of the debate. I saw the Victorian Premier on the news. I have a slightly different recollection. I thought she did, in fact, rule out land tax, but I may well be mistaken.

The Hon. DAMIEN TUDEHOPE: Clearly, it is an issue which would exercise revenue if, in fact, legislation to allow working from home—

The Hon. Dr SARAH KAINE: Point of order—

The CHAIR: Order! Mr Tudehope, that is clearly a hypothetical that you're putting to our public official.

The Hon. Dr SARAH KAINE: It's a hypothetical on top of a hypothetical.

The CHAIR: It's something you should probably put to the Minister.

The Hon. DAMIEN TUDEHOPE: Mr Smythe is not unacquainted with dealing with hypotheticals.

CORRECTED

The CHAIR: Yes, but that's still—

The Hon. DAMIEN TUDEHOPE: Are there circumstances, Mr Smythe, where someone who uses a home office does pay land tax in relation to that part of their premises?

CULLEN SMYTHE: I'll take that on notice.

The Hon. DAMIEN TUDEHOPE: It may be the case?

CULLEN SMYTHE: There are so many elements that go into answering that question. I'm not sure we have sufficient time for me to—

The Hon. DAMIEN TUDEHOPE: Minister, can I put this to you? In relation to working-from-home policies, would you rule out or would you be prepared to rule out that any land tax would be payable by employees who work from home?

The Hon. COURTNEY HOUSSOS: That's a new idea. It's the first time it has been put to me. It's certainly not something that we're considering at the moment.

The Hon. DAMIEN TUDEHOPE: You're not prepared to rule that out today, are you?

The Hon. COURTNEY HOUSSOS: I mean, I think if you're considering future policies of a Liberal Opposition about taxing working from home, then I'd say that would be a matter for your discussion.

The Hon. DAMIEN TUDEHOPE: There's nothing that seems to stop your Government from looking for new revenue sources, Minister.

The Hon. COURTNEY HOUSSOS: It's the first time that I've heard it raised with me.

The Hon. DAMIEN TUDEHOPE: It seems to exercise the mind of the Labor Government in Victoria. However—

The Hon. COURTNEY HOUSSOS: We're in New South Wales government estimates. I'm happy to answer questions about New South Wales government issues rather than the Victorian Government's current policy considerations.

The Hon. DAMIEN TUDEHOPE: Your cousins.

The Hon. COURTNEY HOUSSOS: I think we can all agree that we have a slightly different approach in New South Wales.

The Hon. DAMIEN TUDEHOPE: I'm not entirely sure. Minister, just returning to the deed of release which was the subject of the Ombudsman's report, in relation to that deed of release, when did you first become aware of it?

The Hon. COURTNEY HOUSSOS: I'd have to take that on notice and come back to you. I am aware of it now. It's a very, very serious issue, and I share the Ombudsman's concern. I would make the point that every person has the right to seek independent review, and the use of deeds of release to prevent individuals from exercising those statutory rights is unacceptable.

The Hon. DAMIEN TUDEHOPE: Mr Minns, are you aware of any other cases where a deed of release has been requested in the circumstances which was addressed by the Ombudsman?

PHIL MINNS: The Ombudsman's report to Parliament asked that we look into that, and my understanding is that we could not find an earlier episode where those terms had been included in a deed of release. I'm also advised, Mr Tudehope, that we don't often end up reaching deeds of settlement. The last time we had a deed in a similar or related circumstance was about 2021. It's not an everyday practice, which to some degree I think contributed to the mistake in this case.

The Hon. DAMIEN TUDEHOPE: Minister, to your knowledge has the Premier responded to the recommendation that a direction be issued reminding all government agencies that this practice is inappropriate and unacceptable?

The Hon. COURTNEY HOUSSOS: That would be a question for the Premier. What I can tell you is that you would be aware—or you may not be aware—that the deed was actually drafted by the Crown Solicitor's Office, and the Crown Solicitor has issued an office-wide policy providing that the Crown Solicitor's Office may not draft a deed or other agreement requiring any person to withdraw or undertake not to make complaints or applications for investigation or relief lodged with any investigative body. I note that the advice that I have is that Revenue NSW has reviewed all of its deeds of release from the past seven years and none were found to contain

CORRECTED

a similar provision. We are taking this Ombudsman's report very seriously. Revenue NSW has fully cooperated with the Ombudsman and accepted all of their recommendations.

The Hon. DAMIEN TUDEHOPE: Minister, going back to the earlier question about surcharge duty, Dr James Hoskins wrote to you on 27 May 2025 canvassing all the issues which we have explored today. When are you going to reply to his letter?

The Hon. COURTNEY HOUSSOS: I'm going to be clear again, Mr Tudehope, unless you can furnish me with some evidence—

The Hon. DAMIEN TUDEHOPE: I have a copy of his letter in front of me which he has furnished to me.

The Hon. COURTNEY HOUSSOS: Okay. I'd have to take that on notice. I think I may have responded.

The Hon. DAMIEN TUDEHOPE: You may have responded?

The Hon. COURTNEY HOUSSOS: Yes.

The Hon. DAMIEN TUDEHOPE: You may have responded, but he hasn't received a response.

The Hon. COURTNEY HOUSSOS: I'll take that on board. I'm not aware. I know that we have been working through the issues that were raised by Dr Hoskins. I just can't recall if I've actually signed the final version of the letter or not.

The Hon. DAMIEN TUDEHOPE: Can I suggest to you, now that you are aware, Mr Minns, that I have in fact been approached by Dr Hoskins, you in fact have written to Dr Hoskins saying that no exemption will be granted—do you recall that?

PHIL MINNS: I'm not sure that I have written to Dr Hoskins.

The Hon. DAMIEN TUDEHOPE: No. In fact, I think it was Mr Smythe whose signature appears at the bottom of the email.

PHIL MINNS: It would be helpful to know what date that was.

The Hon. DAMIEN TUDEHOPE: I will give you that date if I can. It is 27 May. Mr Hoskins wrote to the Minister on the same day, having received Mr Smythe's email. Do you say that you've applied the exceptional circumstances guidelines which are available to be applied?

CULLEN SMYTHE: I can assure you, Mr Tudehope, that the appropriate processes were complied with, as with all of our matters, and if that's what the letter says, that's what the letter says.

The Hon. DAMIEN TUDEHOPE: In circumstances where the Minister tells a radio announcer that in circumstances where there are seriously ill relatives overseas that that constitutes exceptional circumstances, you have decided that the exceptional circumstances do not apply in this case.

CULLEN SMYTHE: As a general matter, I'd once again refer you to the facts that were considered by the NSW Civil and Administrative Tribunal in Chen versus the chief commissioner. In that case, the tribunal went through and considered—there were two elements to section 5B. One was a question of whether or not exceptional circumstances existed and the other one dealt with the second part or the second limb of subsection (2B) which talks about a brief absence. In order for the provision to even be considered, both elements need to be met.

The Hon. DAMIEN TUDEHOPE: That's what I'm suggesting to you, Minister.

Ms CATE FAEHRMANN: Minister, are you aware of biological monitoring results of work that's undertaken by NSW Resources Regulator in relation to the lead levels of workers in lead mines across the State? Are you kept informed about that work?

The Hon. COURTNEY HOUSSOS: I don't recall exactly being briefed on that. I might have to come back to you on notice. They may have provided a briefing to me; I just can't recall that.

Ms CATE FAEHRMANN: In terms of the lead mining districts across New South Wales, are there workers in those mines who have had to be removed from those mines because of high lead levels?

The Hon. COURTNEY HOUSSOS: I can't recall that at the moment. The point I'd make is that most of the lead mining that I'm aware of actually occurs with other minerals. For example, last year I opened—

Ms CATE FAEHRMANN: Yes, I'm aware of that, but I'm asking you about the workers and whether you are advised by your department that workers can be exposed to lead, and asking you whether workers have to be removed from mines because their blood lead levels are too high.

CORRECTED

The Hon. COURTNEY HOUSSOS: I would just say that I would expect that there is some level of monitoring that's undertaken by workers. I know that's certainly work that's done within the coal industry, is the ongoing monitoring of workers, and that would largely be reported to me.

Ms CATE FAEHRMANN: There was a briefing sheet in some documents that I obtained, from 7 August 2024, which states that since 2021 the regulator has assessed 33 notifications made by mine operators of elevated blood lead levels of workers. My question is are you aware of that?

The Hon. COURTNEY HOUSSOS: I just said that I will take on notice the specifics of the monitoring process that's underway. I know that monitoring of workers does occur. I would say that I'm aware that we have very robust safety requirements and monitoring that occurs within the coal industry. I would say that, as we see more critical minerals and high-tech metals mines, there may need to be ongoing reform in order to make sure that the tragic lessons that we have learned in relation to safety within the coalmining industry can be transferred towards our other mining areas, but that's an area that continues to be underway and we continue to consider.

The Hon. SARAH MITCHELL: Minister, I understand the Government is not continuing with Royalties for Rejuvenation and you've moved to the Future Jobs and Investment Authorities model, but can you tell me what's happening with the former expert panels that were in place under Royalties for Rejuvenation?

The Hon. COURTNEY HOUSSOS: Yes. As I told you in the last budget estimates hearing, those are expert panels that are established in legislation, and so I anticipate that those particular panels—that those legislative changes will be brought in when we introduce our Future Jobs and Investment Authorities legislation later this year.

The Hon. SARAH MITCHELL: Sure. Can you just confirm, though, the members of those panels are still being paid?

The Hon. COURTNEY HOUSSOS: As I've said to you previously, we have no option, and we have pursued that option in order to cease that payment, but that's a legislative requirement.

The Hon. SARAH MITCHELL: How much is that costing the Government, to pay those panel members while they're effectively on ice? What's the cost to Government?

The Hon. COURTNEY HOUSSOS: I'd make this point: that as we wrap up the work of the expert panels, I think I made some requests to them about just wrapping up their work and how we can be making sure that we're making best use of that expertise. In relation to the specifics in how much we paid them and the like, I'd be happy to come back to you on notice.

The Hon. SARAH MITCHELL: Yes, if you could on notice that would be fantastic, and also just the last time that they formally met as panels. My understanding is it was August 2023, but you say you're instructing them to do some work at the moment. Is that right?

The Hon. COURTNEY HOUSSOS: We've had some discussions—again, I might come back to you on notice. Or perhaps the deputy secretary can provide some further—

The Hon. SARAH MITCHELL: We can come back to that in the afternoon, maybe, if you've got anything on that, Ms Beattie.

GEORGINA BEATTIE: Sure. I'm happy to provide information on that, Ms Mitchell.

The Hon. SARAH MITCHELL: I might do that this afternoon.

The Hon. DAMIEN TUDEHOPE: Can I just ask one final question, then, Minister: In relation to the record spending which is now available to small businesses, which you are very proud of—rightly so—how much of that would you attribute to the success of Business Connect?

The Hon. COURTNEY HOUSSOS: I couldn't answer that hypothecation. I said that there was a number of factors in relation to effecting that record spend, including the ministerial direction that I issued, but I think—

The Hon. DAMIEN TUDEHOPE: So not to Business Connect?

The Hon. COURTNEY HOUSSOS: I think that would be a very difficult number to hypothecate.

The CHAIR: Thank you, Minister. In the absence of Government questions, thank you very much, Minister, for your attendance. We appreciate that. A reminder to you all that Mr Coutts-Trotter will not be attending the afternoon session. We're losing his erudite contributions, but we will soldier on. We will go and serve ourselves lunch and be back at 2.00 p.m.

(The Minister withdrew.)

CORRECTED

(Michael Coutts-Trotter withdrew.)

(Luncheon adjournment)

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

Ms GERALDINE CARTER, Acting Deputy Secretary, Economic Strategy and Productivity Group, NSW Treasury, on former affirmation

The CHAIR: Welcome back, everyone. We'll recommence the hearing with 20 minutes of questions from the Opposition.

The Hon. DAMIEN TUDEHOPE: I'll start with the officials from Revenue. In fact, Mr Minns, this is the first time I've had an opportunity to say congratulations to you on your appointment, which was good.

PHIL MINNS: Thank you. It's the beginning of week eight.

The Hon. DAMIEN TUDEHOPE: Congratulations. I asked some questions earlier to the Minister on this, but how much payroll tax was collected in 2023-24 from the 4,280 businesses that paid payroll tax that year with a total payroll between \$1.2 million and \$1.5 million?

PHIL MINNS: I'd have to take that on notice, I think. I've got a gross number for payroll tax close at hand.

The Hon. DAMIEN TUDEHOPE: But not for just that cohort between 1.2 and 1.5?

CULLEN SMYTHE: We'll take that on notice.

The Hon. DAMIEN TUDEHOPE: What was the gross figure collected for 2024-25?

PHIL MINNS: Let me find that for you. If we're talking about payroll tax for 2024-25, the revenue collected was \$14,800,437,704. Have I got that right?

CULLEN SMYTHE: That sounds about right.

The Hon. DAMIEN TUDEHOPE: And that was paid by how many businesses?

PHIL MINNS: I'm not sure that I can directly answer that question. What I can tell you is that the number of current annual assessments in that year was 44,253. Some of those assessments might be people who have paid it in the past but are not paying it this year, so it might be a little bit less than that number.

The Hon. DAMIEN TUDEHOPE: Or it might be even more.

PHIL MINNS: The number of active payroll customers is over 56,000. They're people who have perhaps paid it at some point in the past.

CULLEN SMYTHE: That sounds right.

The Hon. DAMIEN TUDEHOPE: This goes back to my earlier question in relation to that amount. How many of those 44,000 businesses had a payroll of between \$1.2 million and \$1.5 million?

CULLEN SMYTHE: I'll take that on notice as well.

The Hon. DAMIEN TUDEHOPE: I know that you guys are pretty good. Is it possible to get those figures in the course of this hearing?

PHIL MINNS: It'll come down to whether or not it's easy to pull—

The Hon. DAMIEN TUDEHOPE: I know that your staff watch diligently.

PHIL MINNS: But I'm still acquainting myself with where the fire doors are, so I'll be asking someone if they can get it, and if they can get it quickly.

The Hon. DAMIEN TUDEHOPE: Mr Smythe, Uber has now lodged an application for special leave to appeal to the High Court.

CULLEN SMYTHE: That's correct.

CORRECTED

The Hon. DAMIEN TUDEHOPE: A number of other businesses, no doubt, are waiting on that decision. How many audits have been conducted in the last 12 months by Revenue in relation to businesses who would colloquially be known as being in the gig economy?

CULLEN SMYTHE: I'll need to take that on notice. We may also need to clarify what our understanding is of the gig economy. There are some obvious ones—for example, the rideshare economy and some of the delivery services that run on similar platforms—but I understand that as you get towards the edges, it becomes a little bit more difficult to determine. How about I take that one on notice and see what we can give you?

The Hon. DAMIEN TUDEHOPE: Can I widen it more generally? How many audits have been conducted in relation to payroll tax in the 2024-25 year?

PHIL MINNS: I have that number. The number of audits in 2024-25 for payroll tax was 11,018.

The Hon. DAMIEN TUDEHOPE: Was that up from 2023-24?

PHIL MINNS: It was slightly down. In 2023-24 it was 11,094.

The Hon. DAMIEN TUDEHOPE: In terms of the extra revenue which was obtained as a result of those audits, are you able to give us a figure in relation to the additional revenue which was collected?

PHIL MINNS: I would need to request that from the team. They will probably be able to do that today. I know that the number of audits that were conducted that identified a tax liability was 8,567.

The Hon. DAMIEN TUDEHOPE: That indicated they had a liability. And then, from that, the total amount of extra tax collected from those 8,000—

PHIL MINNS: I'd have to get that sourced.

The Hon. DAMIEN TUDEHOPE: One of the issues relating to the identification of liability for payroll tax relies upon the definition contained in relation to what is a contractor and what is an employee. A resolution has been reached by the Government in relation to medical practices. In respect of the audits which have been conducted, how many of those audits were conducted in relation to businesses in circumstances where they were identified as conducting a business in the nature of a professional practice or a collective practice which is in the nature of medical practices?

PHIL MINNS: I can't tell you at this point. I would need to check if it is, in fact, able to be sourced.

The Hon. DAMIEN TUDEHOPE: I might not have expressed that entirely correctly.

PHIL MINNS: No, I think I understand.

The Hon. DAMIEN TUDEHOPE: I think you understand the notion that I'm getting at.

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: Is that information readily available?

CULLEN SMYTHE: I believe so. I don't have it with me. We'll see what we can do to come up with something today.

The Hon. DAMIEN TUDEHOPE: That's okay.

CULLEN SMYTHE: But I don't know if we'll be able to deliver on that.

The Hon. DAMIEN TUDEHOPE: Have we increased the number of audits in relation to businesses which are potentially the subject of payroll tax because of the structure of the business?

CULLEN SMYTHE: Sorry, could you rephrase the question?

The Hon. DAMIEN TUDEHOPE: Have we increased the number of audits which are being done by Revenue which have been identified because the potential structure of their businesses falls into the category of so-called independent contractors or employees?

CULLEN SMYTHE: I'm not sure that's a question we'll be able to answer. The main reason behind that is that, in many circumstances, the full details of the structures aren't always available until after an audit commences. If I've understood your question—and please correct me if I've got this wrong—it almost seems to be coming from the other end of the perspective. So we understand the structure and we have then gone—

The Hon. DAMIEN TUDEHOPE: Is that a trigger for someone, where potentially you are able to say that the nature of this business is such that they should be paying payroll tax and they're not, because of the

CORRECTED

structure of their business? Are there red flags that your audit team could identify which would probably give rise to—

CULLEN SMYTHE: That would tip people off about their structuring activities and how they can best avoid tax? I'm not sure if that's—

The Hon. DAMIEN TUDEHOPE: Hopefully their accountants are giving them good advice these days.

CULLEN SMYTHE: I think it would be safe to assume—for example, in the light of particular cases that have come down where we understand that, say, there are practitioners with similar business models to those run by organisations that have been unsuccessful in their challenges. The gig economy is one that you pointed out, and potentially employment agent-related businesses.

The Hon. DAMIEN TUDEHOPE: Mortgage brokers?

CULLEN SMYTHE: Potentially. I think the position has not changed on those, in that there's no coordinated focus on looking at mortgage brokers at the moment.

The Hon. DAMIEN TUDEHOPE: The cleaning industry?

CULLEN SMYTHE: We're moving away, then, from business structures and more to industries that may need particular guidance or assistance understanding. That's, I think, a slightly different question or a different area of focus.

The Hon. DAMIEN TUDEHOPE: Cleaning industry contractors—is that an area of focus?

CULLEN SMYTHE: I'd need to take that one on notice, at the moment. At various times there have been. There was that very famous Bayton Cleaning case. That was quite a while ago. There are particular industries that at various times turn out to have more issues because of particular structures that have been adopted widely by their professional advisers. In those cases, that may very well be one of the factors that lead us to, first, making contact with them from a compliance perspective, but that won't always result in an audit.

The Hon. DAMIEN TUDEHOPE: In respect of the first home purchase stamp duty scheme, there are a number of aspects in relation to the declarations which are required to be completed by first home purchasers. One of those includes, of course, the provision that they reside in the property. How many audits have been conducted by Revenue to establish compliance with that obligation?

CULLEN SMYTHE: You are speaking about the First Home Buyers Assistance Scheme?

The Hon. DAMIEN TUDEHOPE: Yes.

CULLEN SMYTHE: For the First Home Buyers Assistance Scheme in the 2025-26 year—or which year are you after?

The Hon. DAMIEN TUDEHOPE: The 2024-25 year.

CULLEN SMYTHE: In 2024-25 there were 668 matters that were investigated.

The Hon. DAMIEN TUDEHOPE: How many of those disclosed noncompliance with their obligations?

CULLEN SMYTHE: It was 403.

The Hon. DAMIEN TUDEHOPE: Of the 600-odd?

CULLEN SMYTHE: Yes.

The Hon. DAMIEN TUDEHOPE: I take it that the majority of those audits were conducted as a result of some sort of notification? Or were they random audits?

CULLEN SMYTHE: I don't have the details of that.

The Hon. DAMIEN TUDEHOPE: Are those details of what triggers the audit available?

CULLEN SMYTHE: I'll take that on notice.

The Hon. DAMIEN TUDEHOPE: It's not an unfair thing for Revenue to say to people, "If you don't comply, we'll catch you."

CULLEN SMYTHE: Mr Tudehope, I'm not trying to be slippery; I just don't have the details.

CORRECTED

The Hon. DAMIEN TUDEHOPE: That's fine. In respect of the previous Government's proposals for the abolition of stamp duty, there was in fact a land tax scheme which was introduced. How many purchasers who elected to participate in that scheme remain on the scheme?

PHIL MINNS: We do have that. We'll just need to find it, Mr Tudehope.

CULLEN SMYTHE: Could we possibly return to that question a little later?

The Hon. DAMIEN TUDEHOPE: I take it that a person who elected to go on that scheme automatically becomes disqualified from being a first home purchaser with any eligibility under the First Home Buyers Assistance Scheme if they are looking to purchase another property—because they've already been the owner of a property. A common complaint—and I don't know if you have received that complaint—is that cohort of taxpayers had to pay a land tax provision and never got the benefit of any exemption from the stamp duty. Unfortunately for a number of people, they don't get any benefit on the purchase of their potential second property.

CULLEN SMYTHE: Yes.

PHIL MINNS: Mr Tudehope, I have found the relevant note to answer your question. As at 31 July the number of properties that opted in for FHBC—I can't recall what the acronym stands for.

The Hon. DAMIEN TUDEHOPE: First Home Buyer Choice.

PHIL MINNS: The number that opted in is 8,123. That is based on the number of transactions and excludes cancelled transactions. That's the number of properties. The number of individuals that opted in for FHBC is 13,844.

The Hon. DAMIEN TUDEHOPE: Do you have any figures about how many remain?

PHIL MINNS: I think that's the same answer.

The Hon. DAMIEN TUDEHOPE: Did they all remain?

PHIL MINNS: I think I just told you the ones that have opted in and the number of 8,123 was the number of transactions and excluded the cancelled transactions.

The Hon. DAMIEN TUDEHOPE: Yes, but there might be some people who are now no longer on the scheme.

PHIL MINNS: That's at 31 July, so it's pretty current data.

The Hon. DAMIEN TUDEHOPE: That's how many remain on the scheme?

PHIL MINNS: Yes.

The Hon. DAMIEN TUDEHOPE: It doesn't tell me the figure, though, for the number who actually took it up in the first instance—I anticipate it will be more—and potentially have sold a property and moved on to become a stamp duty payer.

PHIL MINNS: I would take that one on notice. I'll keep trawling. I might be able to find it.

The Hon. DAMIEN TUDEHOPE: In terms of the discretion in relation to fines, Commissioner, have you updated the guidelines in relation to the manner in which you use your discretion in relation to fines?

PHIL MINNS: My understanding is that we have a Minister's guidelines framework that relates to—does it relate to fines and debt?

CULLEN SMYTHE: Fines-related debt, yes.

PHIL MINNS: We have completed an internal review of that. It's before the Minister to get final approval.

The Hon. DAMIEN TUDEHOPE: Is that proposal to set a new set of guidelines?

PHIL MINNS: It's a modification of the guidelines that came to me to sign through probably in my first or second week. I have not sought to significantly interfere with the advice that's come from the fines and debt team.

The Hon. DAMIEN TUDEHOPE: I wonder, in relation to that proposal, whether there is any movement away from the work and development orders. Are they still a significant part of the framework?

PHIL MINNS: Yes, it's still part of the framework.

CORRECTED

The Hon. DAMIEN TUDEHOPE: Does there still remain an opportunity for you to waive fines in certain circumstances?

PHIL MINNS: Yes, that's my understanding.

CULLEN SMYTHE: Yes, the legislative—

The Hon. DAMIEN TUDEHOPE: How many fines have been waived in the 2024-25 year?

CULLEN SMYTHE: We'll take that on notice. Is the question you're asking how many fines have been withdrawn?

The Hon. DAMIEN TUDEHOPE: In the commissioner's discretion.

CULLEN SMYTHE: We'll take that on notice.

The Hon. DAMIEN TUDEHOPE: To the extent that there are fines which are currently pursued, on how many occasions have garnishee orders been issued in relation to the collection of fines? This is one, you may recall, that I was consistently asked about.

CULLEN SMYTHE: This is in relation to fines?

The Hon. DAMIEN TUDEHOPE: Yes, fines.

PHIL MINNS: I don't know if we'll be able to distinguish between fines.

CULLEN SMYTHE: But we have different—I do have some numbers for you. In the 2024-25 year, there were 9,968 employer garnishee orders that were issued and there were 5,904 bank garnishee orders that were issued. Just keep in mind, though, that in those instances, particularly where—those two numbers, in many cases, will reflect garnishee orders issued in respect of the same clients. So you can't add it together and assume that—

The Hon. DAMIEN TUDEHOPE: They're all individual.

CULLEN SMYTHE: —there's 15,000 customers.

The Hon. DAMIEN TUDEHOPE: It might be one client with a variety of garnishee orders.

CULLEN SMYTHE: With five or 10 or 15 garnishee orders—that's correct.

Ms ABIGAIL BOYD: I wanted to come back to the Jobs First Commission. Maybe that's you, Mr Gadiel. In September 2024 the Government in its media release said that it would release consultation outcomes and an exposure draft bill for the Jobs First Commission by the end of 2024. Obviously, that hasn't happened. Did work commence on drafting a bill?

MICHAEL GADIEL: The Treasury has supported the Government in its development of its policy around the Jobs First Commission, but it is before Cabinet so I'm constrained to the extent that I can give information to you that would reveal the deliberations of Cabinet. But, suffice to say, we have supported the Government in the development of the policy around that commitment.

Ms ABIGAIL BOYD: Can you tell me why the procurement reform working group hasn't met since November 2024?

MICHAEL GADIEL: My understanding is that the procurement—so there's the procurement reform steerco, which is a different one to the working group. But I believe the working group last met in June.

Ms ABIGAIL BOYD: How often does it meet?

MICHAEL GADIEL: It meets monthly.

Ms ABIGAIL BOYD: Meets monthly?

MICHAEL GADIEL: Yes.

Ms ABIGAIL BOYD: But it's not met since June?

MICHAEL GADIEL: I'm not on the working group myself and my notes were signed off on July, but I see no reason why there wouldn't have been a July meeting—or an August meeting, for that matter.

Ms ABIGAIL BOYD: Can you explain to me what those two different groups are, then?

MICHAEL GADIEL: I don't think—the steerco is at a more ministerial level. My team runs the procurement reform working group, which is the means by which my team engages with the other agencies in the sector and gets their feedback.

CORRECTED

Ms ABIGAIL BOYD: Who is on that working group?

MICHAEL GADIEL: My understanding is it comprises all the major government agencies that engage in procurement. So there will be reps from all the departments you would expect and, for some, multiple reps—so Transport, Premier's, DCCEEW et cetera all will be represented.

Ms ABIGAIL BOYD: I'm not sure who to direct this question to so just jump in. I understand that the Government announced that 128 new buses would be made in Nowra, yet the company's DA to Shoalhaven council stated there would be no welding, cutting or painting onsite. What's the real story there? Are those buses being made in Nowra? Do we know?

MICHAEL GADIEL: That's primarily a matter for Transport.

Ms ABIGAIL BOYD: Thought you'd say that.

MICHAEL GADIEL: But I do understand that they will be employing the use of fibreglass coaches. In that respect, it's a more modern approach towards manufacturing of the coach body that doesn't require the processes you referred to in the DA.

Ms ABIGAIL BOYD: I also understand that prison labour is being used at the Nowra bus hub instead of local workers. Are you aware of that?

MICHAEL GADIEL: Yes, I am. My understanding is that there are local workers there and there are some local prisoners who, as part of their return-to-workforce program, are employed at that location. My understanding is that they're paid award wages and it's part of the Government's policies around ensuring that released prisoners have skills and capabilities to function in the workforce upon release.

Ms ABIGAIL BOYD: Turning to something a bit different, what are the terms of recovery by the State of the \$10 million owed by Whitehaven Coal pursuant to the May 2025 decision of the Chief Judge in Equity in the New South Wales Supreme Court?

CULLEN SMYTHE: In terms of recovery?

Ms ABIGAIL BOYD: Yes. I understand that they owe \$10 million and this is as a result of some sort of negative royalty issue.

CULLEN SMYTHE: Absolutely.

Ms ABIGAIL BOYD: What are the terms of recovery?

CULLEN SMYTHE: Let me take that on limited notice. I expect I'll be able to come back to you within the—I think I know the answer, but I want to make sure I give you the right one.

Ms ABIGAIL BOYD: Has that negative royalty issue applied elsewhere? Have we had that come up with other companies?

CULLEN SMYTHE: The issue itself or a dispute as to the issue? They're slightly different.

Ms ABIGAIL BOYD: Has the negative royalty issue come up before and you've had to try and recoup it from the company?

CULLEN SMYTHE: Yes. It's an issue of which we are aware.

Ms ABIGAIL BOYD: Has this resulted in a reissue of notices of determination for other mines to make sure this doesn't happen retrospectively in the future so that they're paying what they're due up-front?

CULLEN SMYTHE: Yes. I think the best way I can answer that is to say I'm not aware of any other disputes at this time on those issues. We have also been quite active in issuing guidance notes—we call them commissioner's practice notes—that have gone out, particularly over the last 24 to 36 months.

Ms ABIGAIL BOYD: Perhaps you could take on notice—could you let me know how much money has previously needed to be recouped because of this negative royalty issue?

CULLEN SMYTHE: So we're talking about compliance related?

Ms ABIGAIL BOYD: Yes, and what the actions have been to make sure that we are getting more of it up-front and not coming up with this again.

CULLEN SMYTHE: Sure.

Ms ABIGAIL BOYD: I don't know if this is one for you or not, but I'm going to give it a whirl. The *Guidelines for the economic assessment of mining and coal seam gas proposals* currently in use by Treasury in

CORRECTED

cost-benefit analysis of coal projects is dated December 2015. Does anyone know if those guidelines are under review? Ms Beattie, maybe?

GERALDINE CARTER: I can take that on notice.

Ms ABIGAIL BOYD: They just seem quite old. Can you tell me how many hardship applications have been made to Revenue NSW in the past year?

CULLEN SMYTHE: Sorry, could I just confirm we're talking about the Hardship Review Board applications here?

Ms ABIGAIL BOYD: Yes, I believe so.

CULLEN SMYTHE: So 2024-25, was it?

Ms ABIGAIL BOYD: Yes.

CULLEN SMYTHE: The total that were the subject of an application were 149. Out of those, 51 progressed to determination by the board and 59 of them were not eligible to be reviewed by the board. The principal reason behind that is the Hardship Review Board only considers applications by individuals. It doesn't consider applications by, say, corporations. And 22 of the matters were withdrawn or resolved prior to being heard. That leaves 27 that are currently in progress.

Ms ABIGAIL BOYD: How many have been rejected, then? Of those 51 that progressed, how many were rejected and how many were accepted?

CULLEN SMYTHE: There were 18 where the Revenue NSW decision was to stand—effectively, a rejection. There were four that were overturned and there were 29 where it was partially overturned. Just keeping in mind, because the powers of the Hardship Review Board are quite broad, some of the questions that come in are not necessarily, "We no longer want to pay a fine." It may be, "We're going through a particular situation and we want to pay less or we want an extended period of time to pay." It's not always, "Decision to stand. Decision removed or revoked." It's often a variation of an existing situation.

Ms ABIGAIL BOYD: What's the staffing allocation and budget allocation for Revenue NSW debt collection in relation to minor fines?

PHIL MINNS: I think I would need to take that on notice. I've got information about fines and debt. Let me see if I can break it down into minor fines. I'm not sure that I can.

CULLEN SMYTHE: While Mr Minns addresses that, Ms Boyd, I'll go back to the royalty question that you asked me. The specific issue that was the subject of that case, I understand, we have not identified in another instance, and the assessments have been fully paid.

PHIL MINNS: Ms Boyd, I won't be able to answer with respect to the minor fines activity, but I can say that, for the last financial year, the fines revenue was \$750 million.

Ms ABIGAIL BOYD: For revenue?

PHIL MINNS: That's fines revenue, in total.

Ms ABIGAIL BOYD: But in terms of budget allocation for the collection?

PHIL MINNS: I'd need to take that on notice.

Ms ABIGAIL BOYD: How much revenue leakage has been identified from payroll tax avoidance?

PHIL MINNS: I personally haven't seen any information on that since I've been here.

CULLEN SMYTHE: That is an incredibly difficult question to answer. We have data on revenue that has been identified. Whether some of it is inadvertent, some of it is because people haven't quite understood all of their obligations and whether some of it is intentional is incredibly difficult to determine in a single given case, let alone in a global number. I'm not sure that's something we can even take on notice, unfortunately.

PHIL MINNS: The other thing that I could say, Ms Boyd, is that the amount of revenue that's raised does relate to the amount of compliance activity that we can direct towards that tax category. In years where we've had more of a concentrated focus on payroll tax compliance, we have seen total revenue intake grow, in effect. Compliance activity typically does generate a return.

Ms ABIGAIL BOYD: I used the word "avoidance", which implies perhaps a greater level of seriousness. What about underpayment of payroll tax? Are you able to quantify in given years whether there has been underpayment of payroll tax and how that's trending over time?

CORRECTED

CULLEN SMYTHE: Not in the concept of, say, a tax gap such as some global economic agencies provide. We can provide detail of the revenue identified through compliance activity. Is that what you're after?

Ms ABIGAIL BOYD: Yes, that's probably where we're going. I note that a webpage was put up on Revenue's website in March called payroll tax and the mining industry. It talks about better supporting mining businesses in understanding the complexities of payroll tax. Were we seeing an underpayment in the mining industry of payroll tax? What provoked this explanation to be put up?

CULLEN SMYTHE: I'll need to take that one on notice. I'm aware of the page. I just want to make sure that I give you a fully accurate answer on that. One thing I could say—and this lines up with the payroll tax contractor inquiry—is that in the mining industry particularly you'll have mining service businesses that provide workers and things like that. When you have a particular industry that has that sort of model, sometimes it can be quite challenging if you don't have a State tax expert involved to understand all of your obligations and how the payments made through that corporation actually need to meet their payroll tax obligations, particularly some of the bigger cases that we've had over the last couple of years on employment agents and contractors—Uber or international trolley management—which was the subject of some discussion in our last estimates. The Act is quite small, but the provisions can be complex in the way that they are applied to those big group entities, which I believe is the reason behind some of the complaints or the need to provide more information on the website.

Ms ABIGAIL BOYD: Does Revenue NSW have any information-sharing arrangements with icare or SIRA in terms of total wages data in order to inform its compliance function?

CULLEN SMYTHE: I will need to check on the particular datasets. We do have a very large number of datasets, both at the State and Federal level, that we're able to draw on when we're undertaking our compliance activity or to check information that taxpayers provide to us.

Ms ABIGAIL BOYD: I understand that there's quite a big issue with the under-declaration of wages when it comes to how much is paid in icare premiums. I'm curious as to what level of sophistication there is with matching that against payroll data.

CULLEN SMYTHE: One of the reasons that we need to draw on a number of information sets is that references to "worker" or "employee" or "wages" can differ significantly between the different pieces of legislation. For example, we were just talking about contract amounts paid under particular contracts. That effectively fits into our wages net for payroll tax calculation, but wouldn't necessarily fit into, say, a mining company's net.

Ms ABIGAIL BOYD: So it might be illustrative if icare or whoever was looking at payroll data to then work out how much an entity should be paying, but not necessarily, because it depends on the amount of contractors and everything else. I understand.

CULLEN SMYTHE: That's right.

Ms ABIGAIL BOYD: That's very useful. Where are we concentrating our resources at the moment in terms of debt collection? I've just asked that and then I realised you probably don't want to tell me, because it might be compromising your investigations. But is there a particular focus at the moment on particular types of companies or particular individuals, in terms of compliance?

CULLEN SMYTHE: For compliance? Let me take that on notice, and I'll come back to you with what I can.

Ms ABIGAIL BOYD: I understand that there was a change to the coal beneficiation. There was a change to the rate from 1 July. What's the expected economic impact of that?

CULLEN SMYTHE: I believe that's something that's probably more of a Treasury question than us.

Ms ABIGAIL BOYD: Okay. Any takers? No. Maybe take that on notice.

GERALDINE CARTER: I'll take that.

MICHAEL GADIEL: Ms Boyd, if there's time, just some extra information on your question regarding the procurement reform working group. I wanted to clarify because there are several groups of similar names. That particular one is the Minister's working group that met four times last year, in October and November. It hasn't met this year. Questions relating to that would need to be referred to the Minister. Separately, there's the agency-level procurement reform advisory group, made up of government reps. And that meets monthly. The last one was in August this year.

GERALDINE CARTER: Can I just go back to the guidelines question?

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Ms ABIGAIL BOYD: Yes.

GERALDINE CARTER: I think you were asking about the guidelines for the economic assessment of mining and coal seam gas proposals. Is that correct?

Ms ABIGAIL BOYD: Yes.

GERALDINE CARTER: It is listed on the Treasury webpage, under the TPGs. But DPHI is listed as—they're the agency that are actually responsible for that guideline.

Ms ABIGAIL BOYD: Thank you. That's very useful.

GEORGINA BEATTIE: Ms Boyd, I can also answer on the beneficiation, Chair, if that's okay. That refers to the allowable deductions, and that was increased in line with CPI last year. That was at the same time that the Government introduced a new coal determination for royalties. Really, the benefit of that is it updates and outlines to provide clarity to the industry about calculating the value of the resource so that the correct royalty can be paid.

Ms ABIGAIL BOYD: So if there are discounts—for example, for when coal is washed and that kind of thing—

GEORGINA BEATTIE: That's right, yes.

Ms ABIGAIL BOYD: —are you able to provide what that forgone revenue amount is?

GEORGINA BEATTIE: I'll have to take the details on that on notice.

Ms ABIGAIL BOYD: That would be great.

The Hon. SARAH MITCHELL: My questions will probably primarily be directed through you, Ms Beattie or Ms Tripodi, and I'm happy for either or both, because they're just more in relation to mining issues. Just back quickly to the issues around White Cliffs—and I appreciate what the Minister said earlier about these issues needing to be worked through and the time frames. But I meant to ask the Minister, but didn't get a chance to, about some of the recommendations or issues around access management plans. Again, I understand the Minister has said that she will come back throughout the course of the year. But do you know if there's been any consultation with the White Cliffs miners particularly about an access management plan for that region that you can share with me?

GEORGINA BEATTIE: In relation to a particular property?

The Hon. SARAH MITCHELL: Just in general. My understanding is that the Miners' Association out there are working on putting a plan together or have done some work on that, which they say could go into the same Act as the Lightning Ridge and Grawin, Glengarry ones. I wanted to better understand the difference between those areas and if that would be possible to do, or what that looks like from a departmental perspective.

GEORGINA BEATTIE: Without understanding the specifics, I can't really comment on that. But there are access management plans in place in the Lightning Ridge area. In terms of White Cliffs, I'm not aware of one in particular, but, Ms Tripodi, do you have anything to add on that?

JAMIE TRIPODI: They'd be referring to one that we provided them as a draft, actually, some time ago to assist them in their negotiations with the landholders. But we would be looking in waiting for the New South Wales Government response because it does deal with a lot of land-access-related issues.

The Hon. SARAH MITCHELL: There's a number of recs.

JAMIE TRIPODI: And then bring that consistency across both areas to facilitate those. There is differences between the way that it's been managed in the past, between White Cliffs and Lightning Ridge. So we would be looking to make those as consistent as is reasonable and appropriate. But I think the one you're referring to—we gave them a draft access management arrangement to use as a basis in their negotiations with individual landholders. They have quite a good relationship with the majority of them.

The Hon. SARAH MITCHELL: Thank you. That's more for my clarity than anything else. So it's good to get an understanding. The issue around buyback of land within the mineral claims district—again, I know it's another recommendation, but has there been any budget allocation for that at all for this financial year?

GEORGINA BEATTIE: For which, Ms Mitchell?

The Hon. SARAH MITCHELL: One of the recommendations through the Sheahan review is that NSW Resources should set aside moneys for the future buyback of land within the mineral claims district of White Cliffs. Is that something that there is funding available for you to do?

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GEORGINA BEATTIE: There is no money set aside in this year's budget for land buyback. But, as the Minister outlined this morning, we are in the process of formalising and finalising the New South Wales Government response to that independent review. That was quite extensive—81 recommendations, and it covers a whole range of land-access-related issues, as well as regulatory issues in the way the Government applies that regulation to support the miners out there and also provide confidence and certainty to the landholders. All of that is going to be wrapped up in the Government's response, which is coming together.

The Hon. SARAH MITCHELL: Just one more on this one—the conversations with the Federal Government in relation to some of these issues. Section 26C of the Federal Native Title Act, I think, is the one—and you're both nodding—that is causing some challenges. Is there any update, any further discussions that can be shared with the community out there about your dealings with the Federal agencies?

JAMIE TRIPODI: We are feeding back very regularly to White Cliffs through the Miners' Association on the progress of that matter. It is one of the native title pathways that is most appropriate in this case. We have done probably around two or more years work in negotiating with all of the different parties to get to a point where we could then approach the Commonwealth Attorney-General to seek that they make that determination under that Commonwealth legislation. We're at the point where all of the information is now with the Commonwealth, and we are just waiting. The first people that I call when we get a position back or a decision will be the White Cliff Miners' Association.

The Hon. SARAH MITCHELL: So it's all with the Federal Government at the moment, waiting for their determination.

JAMIE TRIPODI: Currently, yes, it is. We did have, obviously, change in Commonwealth Attorneys-General. Quite clearly, we then needed to make sure that the right information was across with the Commonwealth. We've completed all of that. They have all the information that they should need, now. They do understand the importance of it, and they've been excellent with us.

The Hon. SARAH MITCHELL: Thank you for that. I want to move on now to some of the areas around overseas investors in the minerals industry here. I know the Minister said that she's doing some work with Minister Chanthivong to look at future investment in mining and exploration. Is there anything you can share, Ms Beattie, at a departmental level, that you're doing with other agencies in that space, specifically?

GEORGINA BEATTIE: Sure. Critical minerals is, obviously, a priority for the Government. We have a strategy for critical minerals and high-tech metals. It's also recognised in the New South Wales Government's Trade and Investment Strategy as well. The critical minerals strategy outlines a range of commitments that the Government is doing to really support investment. And, as the Minister said this morning, it is highly competitive globally, and everyone wants the investment to come to their area. We're really lucky in New South Wales. We have 21 of the 31 critical minerals here.

We have good resources in other high-tech metals as well, but it does need a continued focus. We have the IMARC conference coming up in October. We use that to really leverage the people who come to Sydney, to promote the opportunities for projects in New South Wales. Our geological survey is heavily focused on providing pre-competitive data to investors, to explorers, to help them try and access the resources that exist in New South Wales, hopefully, for discovery. We have support for explorers, where we co-fund some exploration activity, whether it's geophysics, drilling, geochemistry.

We have a concierge. We're doing a lot. Our royalty deferral scheme, which is something announced in this budget, is a new thing. We really hope that that will take away some of the financial barriers to attract investment for some of those projects because it will defer the royalty payment for up to five years. Financial contributions for these projects is a real challenge. There's a lot happening. A lot of the projects in New South Wales are talking globally. It's really a global industry. They're meeting with governments around the world and investors around the world, and we offer our support whenever we can to try to get that industry cranking in New South Wales.

The Hon. SARAH MITCHELL: To draw into some of the specifics there, I think the Minister called it the small grants program, but, effectively, the support for the geophysics drilling and geochemistry—my understanding is that it only opened, I think, earlier this year. Is there any update in terms of the take-up of that particular program or successful applicants?

GEORGINA BEATTIE: So \$2.5 million was allocated to that, which is, as I said, co-funding. I'm just looking for the information here. We received, I think—it was oversubscribed, I would say, and the panel has gone through and reviewed that. I can come back to the exact numbers, but it's in the process of assessment.

The Hon. SARAH MITCHELL: You can take that on notice.

CORRECTED

GEORGINA BEATTIE: Successful applicants have not been advised or in the process. I've just been told it's 85 applications that we received.

The Hon. SARAH MITCHELL: Someone's listening. That's good that someone is watching.

GEORGINA BEATTIE: They're under assessment. We're getting very close to be able to let the successful applicants know. There's a lot of interest in that program, which is excellent, to support exploration in New South Wales.

The Hon. SARAH MITCHELL: One of the things that I've heard via colleagues and industry is some concerns about the drill permitting process, when people are wanting to take up those exploration opportunities. Is that something that has been raised with you by stakeholders as well or not specifically?

GEORGINA BEATTIE: Sorry, can you repeat the—

The Hon. SARAH MITCHELL: The drill permitting process, apparently, through the Resources Regulator—some have said that that has been a bit of a roadblock. I just didn't know if that has been raised with you.

GEORGINA BEATTIE: It's really important that we assess thoroughly any environmental impacts, and we have a thorough process. But we are always looking to do that as effectively as possible. I might refer to Ms Tripodi, who can talk to what we've been doing on that front.

JAMIE TRIPODI: I'm not aware of any roadblocks as such, but we do have quite a rigorous assessment. In regard to once we issue an exploration licence—and I assume we're referring only to exploration—once someone receives an exploration licence, it provides for a very base-level low-disturbance ability to go out and do exploration. However, if they do require that higher level of approval, they'd have to put through an assessable prospecting operations application. Part of that process is us considering, including under the EP&A Act and the SEPP, for resources and energy and making sure that, based on the activity they're doing, we are comfortable that the environmental assessment is appropriate.

There are also a range of the assessments done in issuing of the title as well around their financial capability and are they the right people to be undertaking exploration in New South Wales. I'm unclear of any roadblocks. I think, potentially, they're referring to the assessable prospecting operation application assessment process. We do have a very good customer service team that manages that process. We report against KPIs. Anyone that is having particular issues should reach out and provide us some feedback. We're always looking at ways to improve that process, but, really, our obligation is to ensure that, as the regulator, the assessment that is undertaken is done appropriately.

The Hon. SARAH MITCHELL: Just to the royalty deferral scheme, again, I appreciate it's only new, but are applications open for that at the moment? How does that work for companies? What's the process?

GEORGINA BEATTIE: There's no round of open applications, but we are talking with potential projects that may be eligible. There is interest in that program, which is good to see.

The Hon. SARAH MITCHELL: Is it just ongoing, open for five years or however long it is?

GEORGINA BEATTIE: Yes, that's right. There are guidelines about eligibility. We're open and talking with projects that may be eligible.

The Hon. SARAH MITCHELL: But none have been approved yet?

GEORGINA BEATTIE: No-one has been approved under the scheme at this stage.

The Hon. SARAH MITCHELL: As I said, I appreciate it's only in its very early stages. The Royalties for Rejuvenation panels that I was asking the Minister about before, I just want to come back to that. I think I was asking what the cost had been to continue the payment for the members of the expert panels and how many people that is.

GEORGINA BEATTIE: Yes, I have that information here. I think we've discussed before—and the Minister also referred this morning—that, under the legislation, the panel members that were previously appointed continue to receive remuneration until the legislation is changed. That remuneration is \$10,000 per annum for a chairperson and \$5,000 per annum for other members of the panel. The amount paid to panels in the previous financial year was \$99,645.

The Hon. SARAH MITCHELL: How many people was that? How many panels were there?

GEORGINA BEATTIE: There are four panels. For the Hunter, we have six people, including the chair. For the Illawarra, we have seven. For the Central West, we have five. For the North West, we have five as well.

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The Hon. SARAH MITCHELL: I think the Minister alluded to earlier that there are still some advice being sought from those—is there anything that they're doing? Again, I appreciate the legislative requirement to keep them engaged, but has there been any direction or involvement with those panel members since they had their last formal meeting?

GEORGINA BEATTIE: Yes, a couple of things. The meeting in the Hunter that we referred to this morning, which was about the final model of the Future Jobs and Investment Authority, the chair of the Hunter panel was present at that event. The Minister also wrote to the panel chairs this year, asking for a summary of the work that they've been doing in accordance with where we're up to with the development of the Future Jobs and Investment Authority and recognising the skills and expertise that those panel members have to help inform the work, going forward.

The Hon. SARAH MITCHELL: For the new investment authorities, obviously there's a lot of people with skill and expertise on those existing panels. Are they considered for those new authorities? Do they apply? How does that work?

GEORGINA BEATTIE: Yes, they will be eligible to apply. We're not at that stage yet. The focus at the moment is on the legislation, and we're close to having that legislation drafted. Following that, the regulations will be developed, and the authority will exist as a statutory body, including the appointment of a statutory CEO. There are four divisions. The divisions with a focus on the Hunter and the Central West will be established, and membership of those divisions will be worked through at that time.

The Hon. SARAH MITCHELL: With the legislation, I can't remember if the Minister said—is that coming in this year? Is that the intention or is that a matter for the Government?

GEORGINA BEATTIE: That's the intention, to have it introduced this year.

The Hon. SARAH MITCHELL: I just have one more, again, through to you, if I can, Ms Beattie. In relation to the job cuts, as I would call it, within DPIRD—and we talked about this yesterday with the agriculture Minister as well. I understand it's at a draft change management process—that was the terminology that was used. What impact is that going to have on NSW Resources?

GEORGINA BEATTIE: As part of the change management process for the department, NSW Resources also has a change management plan. It is quite limited. For us, the focus is on four staff at the Londonderry core library in Western Sydney. The focus and the proposal is really to delimit four roles, so four impacted roles, but the creation of five new roles, so it's actually an additional one role really designed to make sure that we can deliver the Critical Minerals and High-Tech Metals Strategy. That core library holds core from mines right across the State, and it's available for mining companies to come and test some of that core really as an investment opportunity. We'd like to use that core library and transform it into a centre of excellence to support education and training for the future skills of the critical minerals sector. We have a change management plan that we're consulting on at the moment, which will really help make sure we have the right skills located at that facility to help support that vision.

The Hon. SARAH MITCHELL: I appreciate what you're saying for delimiting—it's odd terminology—but then five roles being created. How many staff are currently at that core library in Londonderry?

GEORGINA BEATTIE: I'll have to confirm that. I'm sure the team will jump in with that any minute. It is more than five. There's minimal impact to the budget for us. The change plan is really making sure we can focus on that priority of delivering the strategy with a focus on skills. It's really about supporting education and training. It's repurposing to be more about education support. There are nine total staff there, and so four of those nine are impacted by the change plan, with a focus on five new roles, so an increase of one, to support that vision of education and training.

The Hon. SARAH MITCHELL: In terms of those final decisions, does that sit with you or Mr Orr as the secretary of DPIRD? Who signs off on that final decision once a determination has been made, specifically for those staff?

GEORGINA BEATTIE: Mr Orr is the secretary of the department and we sit within the department.

The Hon. SARAH MITCHELL: In terms of ministerial consultation, I think the draft documents indicate that there was some consultation at ministerial level. Is that something you had discussed with Minister Houssos in terms of that priority for that area?

GEORGINA BEATTIE: Minister Houssos is aware, yes, of the changes and the focus of the changes about delivering the critical minerals strategy. But the budget and working with the budget's department is a matter for the department.

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The Hon. DAMIEN TUDEHOPE: Do you want to come back to me, Mr Smythe?

CULLEN SMYTHE: I do. Mr Tudehope, I have some answers for a couple of your questions. The first one was in relation to payroll tax for businesses between \$1.2 million and \$1.5 million. For the 2024-2025 year, there were 3,856 payers, or businesses, and the amount of payroll tax they paid was \$96.25 million—approximately, of course. The second one was in relation to first home buyer audits. There is a dedicated compliance team. The way they undertake their activity is a combination of targeted checks and analytics. The analytics is aimed at comparing the data that's provided in first home buyer applications against other datasets that we have. We also, surprisingly, or maybe not so, receive a number of dob-ins on people who applied for the first home buyer and turn out not to be living in those properties.

The Hon. DAMIEN TUDEHOPE: In July this year there was a Treasury circular requiring interest to be limited to 25 per cent. Is that the current understanding in relation to the remission of interest for failure to pay—

CULLEN SMYTHE: Are you speaking about the interest remission guidelines?

The Hon. DAMIEN TUDEHOPE: Correct.

CULLEN SMYTHE: Not quite. Do you want the long version or the very long version?

The Hon. DAMIEN TUDEHOPE: I'll go with the long version. I take it that it's Wan's case, is it?

CULLEN SMYTHE: That was one of the elements that we needed to take into consideration. A little while back there were some legislative amendments that were introduced into the Taxation Administration Act to try and basically drag the treatment of interest and penalties back to the initial intention of the legislation. The position in New South Wales has largely been unchanged since the legislation was brought in. Maybe it's easiest to start with an outline of how the legislation deals with underpayments of tax. There are generally three consequences of that. The first is that if you don't pay your tax on time, you have to pay interest. Depending on the reason for that, you may also pay penalty tax. If you've engaged in particular bad behaviours—

The Hon. DAMIEN TUDEHOPE: It's premium.

CULLEN SMYTHE: —like providing false or misleading information, you have a particular punishment. The legislative changes said that when you're looking at interest and penalties, they have to be considered separately, and that's, I believe, perfectly appropriate because they have very different purposes. Penalty tax is a punishment. It's saying, "You've done the wrong thing and these are the consequences." Interest is not a punishment. The interest is meant to cover the costs of government, not only for the lost money or the borrowed money they had to take out in order to cover underpayments that they've budgeted on but also to try and cover the lost opportunities that they otherwise would've had if they'd been paid on time.

Interest in New South Wales is made up of two components. There is only one rate of interest. But in working out what that is, the legislation sets out a premium component and a market component, and the market component is based on the Reserve Bank 90-day bank accepted bill rate. That can be very low. The other one is a fixed rate of 8 per cent. That's the premium component. The courts quite consistently in New South Wales have taken the view that the 8 per cent is punitive in nature, or penal in nature, I should say. That doesn't equate to it being a penalty, notwithstanding the similarity of the terms.

At various times, even though it is somewhat of a blunt instrument, it's a model that's adopted in just about all other State and Territory jurisdictions in Australia—not WA; they have a different process—and also similar to the ATO. The ATO has a fixed component of 7 per cent; we have 8 per cent. They used to be 8 per cent and they dropped it to 7 per cent. For the reasons for that, you'd need to go back and speak to the Federal Treasury. I have a wealth of information here I'm willing to share with you on this. One of the reasons that I'm well versed in it is because I've had a number of conversations on this particular point, particularly about whether or not the idea of the full rate of interest could be treated as a punishment, which I very much believe is not the case.

The Hon. DAMIEN TUDEHOPE: There's an element of intentionality involved, isn't there?

CULLEN SMYTHE: For a penalty?

The Hon. DAMIEN TUDEHOPE: Penalty.

CULLEN SMYTHE: Yes, absolutely. This is where the real debate around what the appropriate rate of interest is comes up. Should it merely be recompensing the Government for the Government's borrowing costs or should it be a form of compensation for the lost opportunities? The IMF has grappled with this, and the IMF has taken the view that any properly developed interest and penalty regime in a tax system should take account of the lost opportunities. Similarly, even at the High Court level, the High Court has taken the view that—albeit in a

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contract case. There was a case, Paciocco versus ANZ Bank Group—it's a 2016 case—where they were looking at what would be the appropriate rate of compensation. Of course, as you well know, Mr Tudehope, if your contract imposes a penalty then that part of your contract—

The Hon. DAMIEN TUDEHOPE: They'll strike it down.

CULLEN SMYTHE: —will be struck down, absolutely. But what the High Court said was, in that commercial context, taking account of your lost opportunities is not enough for something to be a penalty. This doesn't cut across the Supreme Court's comments that the premium component is penal in nature—that it's coercive in nature. I think it's well understood that is, in fact, the case, but that doesn't mean that it is actually doubling up the effect under the Taxation Administration Act of the penalty tax provisions. It's not. To give you an example, I pulled some numbers together. Obviously, the numbers of the different rates change over time. But if we go back to March 2024, if the Government had the money on hand, and if they had decided that they didn't want to spend it on nurses or police or infrastructure or any of the other—

The Hon. DAMIEN TUDEHOPE: They could invest in TCorp.

CULLEN SMYTHE: They would give it to TCorp—very good.

The Hon. DAMIEN TUDEHOPE: What was the rate that they were getting?

CULLEN SMYTHE: You didn't get an advanced copy of this paper I've prepared, did you, Mr Tudehope? They would give it to TCorp. The rate that the New South Wales TCorp long-term growth fund had on the one-year rate of return at that time was 14.24 per cent. The interest rate, both the market rate and the premium component, at the same time was 12.38 per cent. Even with the full interest rate chargeable under the Taxation Administration Act, that would not fully compensate the Government for the return they would have had if they'd been paid on time and had deposited the money with TCorp.

The Hon. DAMIEN TUDEHOPE: I think I get the picture.

The CHAIR: Well done, Mr Smythe. Best ever answer.

CULLEN SMYTHE: Thank you, Chair. That's high praise.

The Hon. SARAH MITCHELL: I think Damien's enjoying this too much.

PHIL MINNS: Don't encourage him, Chair.

The Hon. DAMIEN TUDEHOPE: You shouldn't encourage him. It's part of your job, Mr Minns. Ms Campbell, where are we up to on formulating the Government's position in relation to ESL?

SONYA CAMPBELL: That's a question for my colleague Ms Carter.

GERALDINE CARTER: As you would be aware, they did go out with a consultation paper back in—I think it was 2024. Sorry, I've stepped in for Joann at the last minute, so let me just get up to speed. The team have been consulting with the different stakeholders, taking on some of the feedback from that, and they've been undertaking the analysis from the consultations to determine, if the Government did proceed with it, how they could design the actual ESL reform.

The Hon. DAMIEN TUDEHOPE: Has the valuation component of the analysis been done yet?

GERALDINE CARTER: You mean the valuation of the site?

The Hon. DAMIEN TUDEHOPE: You had asked the councils to engage in a valuation process.

GERALDINE CARTER: Yes, I think the councils have been approached. My understanding is data has been requested from the insurance companies and the local councils to start doing some preliminary analysis of both site valuations. When I was here a week ago, your colleague asked about CIV. They've been doing unimproved land value work. They haven't progressed with the CIV.

The Hon. DAMIEN TUDEHOPE: They haven't done it on an improved—

GERALDINE CARTER: No, that would be very complicated and require a lot of resources. Until it progresses further, Treasury wouldn't progress with that work.

The Hon. DAMIEN TUDEHOPE: That's an interesting roadblock, I think. In terms of the modelling of this, I take it that Revenue will then—in the event that this proceeds to legislation—be charged with the collection of the ESL levy, will they not?

GERALDINE CARTER: I'm not aware of any decision.

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The Hon. DAMIEN TUDEHOPE: Is that your understanding, Mr Minns—that part of the projected workload for Revenue will include collection of the emergency services levy?

PHIL MINNS: Subject to an eventual decision of Government, yes.

The Hon. DAMIEN TUDEHOPE: Are you preparing staff for that eventuality?

PHIL MINNS: We have a small team that's been working on the matter.

The Hon. DAMIEN TUDEHOPE: You're part of the team being put in place for the purposes of making sure that when this is rolled out, there will be a collection process and Revenue will, in fact, be engaged in that collection process.

PHIL MINNS: Dependent on the type of decision that's ultimately made by Government.

The Hon. DAMIEN TUDEHOPE: If, in fact, it is made.

PHIL MINNS: Yes, correct. I have a piece of information to one of your further questions, Mr Tudehope. The number we didn't have related to payroll tax audits was the amount of additional revenue that was collected as a result of those compliance activities. In financial year 2023-24, that additional revenue was \$327.1 million. In 2024-25, it was \$372.69 million. On your First Home Buyer Choice scheme, I referenced the number of properties as 8,123 and the number of individuals as 13,844. The number of individuals that remain in the program is 7,365. I think that last number was the number I didn't have.

The Hon. DAMIEN TUDEHOPE: I think that was the last question I asked you. Mr Gadiel, I think the Minister may have indicated a figure for this, but can you confirm what the total expenditure on procurement by the Government was for 2024-25?

MICHAEL GADIEL: Yes, Mr Tudehope, I can confirm that it's \$42.5 billion for 2024-25. That includes both expenses and capital expenditure.

The Hon. DAMIEN TUDEHOPE: Of that total expenditure in each year, are you able to break up the categories of procurement into goods and services, construction, small and medium enterprises, and from suppliers in New South Wales?

MICHAEL GADIEL: I can give you some of it if you give me a moment.

The Hon. DAMIEN TUDEHOPE: Sure.

MICHAEL GADIEL: In 2023-24 the total expenditure—

The Hon. DAMIEN TUDEHOPE: And 2024-25?

MICHAEL GADIEL: Sorry, I think it's 2024-25, the total expenditure is—hang on, no, it's 2023-24 numbers. The total expenditure was \$42.5 billion. The component on construction is \$16.9 billion and the component on goods and services is \$25.5 billion, if that's helpful to you.

The Hon. DAMIEN TUDEHOPE: I think the Minister gave a figure in relation to the expenditure on small and medium enterprises of \$10 billion.

MICHAEL GADIEL: Yes, the expenditure on small and medium enterprises for 2023-24 is \$10.1 billion.

The Hon. DAMIEN TUDEHOPE: And from suppliers in New South Wales, as opposed to external suppliers?

MICHAEL GADIEL: The suppliers in New South Wales number is \$29.2 billion. That's suppliers with a registered place of business in New South Wales.

The Hon. DAMIEN TUDEHOPE: You'll be aware of the provision commonly referred to as the offsets provision, which was contained in the Procurement (Enforceable Procurement Provisions) Direction 2019. It was clause 9. Are you aware of that provision? It was deleted in 2024. I can remind you of it, that—

MICHAEL GADIEL: I have to confess, I'm unfamiliar with it.

The Hon. DAMIEN TUDEHOPE: The relevant provision states that a government agency must not "seek, take account of, impose or enforce any offset, at any stage of a procurement." You probably won't be able to answer my subsequent question if you're not aware of the provision. Are you aware, Ms Carter?

MICHAEL GADIEL: Ms Campbell may be aware.

The Hon. DAMIEN TUDEHOPE: She may well be.

CORRECTED

SONYA CAMPBELL: I may be able to help you, as this was my portfolio responsibility at the time.

The Hon. DAMIEN TUDEHOPE: In fact, I seem to recall that.

SONYA CAMPBELL: I'll do my best to remember.

The Hon. DAMIEN TUDEHOPE: So you're aware that that provision has now been deleted?

SONYA CAMPBELL: Yes.

The Hon. DAMIEN TUDEHOPE: I wonder whether you can identify how many government procurements have sought, taken into account of, imposed or enforced any condition or undertaking that requires the use of domestic content, a domestic supplier, the licensing of technology, technology transfer, investment, counter-trade or similar actions to encourage local development in Australia or to improve Australia's balance of payments accounts, other than those always exempt under schedule 3 of the direction. Now I come to my question. Regarding this offset direction, which has been deleted, can you give me a number of contracts which have been entered into as a result of the deletion of that provision?

SONYA CAMPBELL: I wouldn't be able to give you that number. I'm not sure that we would be tracking that data. As we discussed previously in this forum, Mr Tudehope, the EPP direction was something that was unique to New South Wales that sought to bring together in one place the highest bars of all the international agreements. Therefore, it was within the prerogative of the Procurement Board to remove that particular provision. But with the development of new policies under the Minister around local content et cetera, that would be data that is now being tracked, which Mr Gadiel might have some more recent knowledge of than me.

The Hon. DAMIEN TUDEHOPE: So there's no data which you can point to which gives some examples of where the deletion of that provision has, in fact, benefited suppliers in New South Wales.

SONYA CAMPBELL: My expectation, Mr Tudehope, is that agencies would still be complying with international obligations to the extent relevant, whilst balancing the direction of this Government in terms of procurement policy.

The Hon. DAMIEN TUDEHOPE: So they have to comply with both.

SONYA CAMPBELL: I believe so, yes.

The Hon. DAMIEN TUDEHOPE: Mr Gadiel, what work is currently being done on giving effect to the Government's election commitment to apply a minimum 30 per cent weighting to New South Wales Government tenders worth more than \$7.5 million that capture local content, job creation, small business and ethical supply chains?

MICHAEL GADIEL: It's the subject of ongoing procurement reform work by my team. It's obviously an election commitment from the Government. It's also under consideration by government and subject to Cabinet considerations. I probably can't say a lot more without revealing the deliberations of Cabinet.

The Hon. DAMIEN TUDEHOPE: So it's been to Cabinet?

MICHAEL GADIEL: I can't say, except to say that it's subject to the considerations of Cabinet.

The Hon. DAMIEN TUDEHOPE: Is that your interpretation of Cabinet deliberations? Has someone given you that direction in relation to policy considerations?

MICHAEL GADIEL: No. It's genuinely my view that the matter is under consideration by government. Therefore, I'm constrained in terms of talking any more about what advice I'm giving to the Government on that matter, except to say that it is subject to ongoing consideration, discussions and consultations within government.

The Hon. DAMIEN TUDEHOPE: I want to explore that a bit more with you. I'm unaware of why a policy position that has been developed which hasn't been to Cabinet constrains you from discussing the work you are doing.

MICHAEL GADIEL: If it's prepared for the consideration of Cabinet, then it's—

The Hon. DAMIEN TUDEHOPE: How do you know?

MICHAEL GADIEL: Because that's my understanding of the status of the workstream.

The Hon. DAMIEN TUDEHOPE: I'm at a loss to understand at what point policy work moves into the category of Cabinet in confidence, as opposed to work which is being done by the department to potentially provide to a Minister for consideration.

CORRECTED

MICHAEL GADIEL: Work that will support the Government in its Cabinet deliberations falls under Cabinet in confidence. It is my understanding that this falls into that category, so I'm unable to talk to you a lot more about what advice we've been giving to the Government on that.

The Hon. DAMIEN TUDEHOPE: I must say, that's an entirely new interpretation. Is there any document which supports that position that you can point to?

MICHAEL GADIEL: I'd probably refer to the Cabinet guidance documents on the TCO website, which set out the considerations. My understanding is this would fall firmly within the guidance published by the Cabinet Office.

The Hon. DAMIEN TUDEHOPE: And it identifies documents and work being done, which has not been to Cabinet, as Cabinet in confidence?

MICHAEL GADIEL: Absolutely. If it's intended for the consideration of Cabinet, then it's—

The Hon. DAMIEN TUDEHOPE: At what point do you know whether it's intended for the consideration of Cabinet?

MICHAEL GADIEL: If we're told that it will go to Cabinet, if it's our understanding that it will go to Cabinet, then it falls under that Cabinet in confidence.

The Hon. DAMIEN TUDEHOPE: Has this particular position which has been adopted in relation to policy provisions been drawn to your attention recently?

MICHAEL GADIEL: Sorry, which position?

The Hon. DAMIEN TUDEHOPE: What you're telling me now in relation to—

MICHAEL GADIEL: No, it hasn't. It's my understanding of the protocols of government.

The Hon. DAMIEN TUDEHOPE: Has there been any internal discussion about those protocols in recent times?

MICHAEL GADIEL: No, not at all. It's sort of the daily bread of someone in central government, separating out what is consideration of Cabinet and what is standard work. It's something that we're deeply familiar with.

The Hon. DAMIEN TUDEHOPE: Can you, on notice, provide me with an answer to what particular provisions you rely on to assert that policy considerations by Treasury are, in fact, Cabinet in confidence and when that Cabinet-in-confidence provision in relation to a policy position is triggered?

MICHAEL GADIEL: Generally, when it's prepared for the consideration of Cabinet, it goes into a Cabinet template. It's understood because it's, for example, a business case or a regulatory impact statement prepared for Cabinet consideration. The full intent of that work is to go to Cabinet and, therefore, it clearly falls into the Cabinet in confidence.

The Hon. DAMIEN TUDEHOPE: So the trigger is when you start to insert material into a Cabinet template?

MICHAEL GADIEL: Or you are preparing it with the specific intention of taking it to Cabinet.

The Hon. DAMIEN TUDEHOPE: How do you know that particular—

MICHAEL GADIEL: It's a matter of intent. Generally, we would document that. We would delimit and mark the material. We would have our emails. We would store it in with the right delimiters indicating that it was subject to Cabinet consideration.

The Hon. DAMIEN TUDEHOPE: In relation to this particular procurement policy, did someone instruct you that this would be going to Cabinet?

MICHAEL GADIEL: I don't know that anyone instructed me. When I've arrived, I've always been of the understand that it's a matter for the consideration of Cabinet.

The Hon. DAMIEN TUDEHOPE: I'll move on to something else but I may come back to this issue. You may refuse again to answer these questions on the basis that you take the view that they are Cabinet in confidence, but I'll ask them anyway. Will this new tender weighting replace or be in addition to the existing weightings relating to small and medium enterprises and regional policy?

MICHAEL GADIEL: I would refer you to the Minister's answer to that question this morning that that was something that she was considering.

CORRECTED

The Hon. DAMIEN TUDEHOPE: So no decision, as far as you're aware, has been taken in relation to that.

MICHAEL GADIEL: I again refer you to the Minister's answer in the session this morning in relation to that point.

The Hon. DAMIEN TUDEHOPE: Are you able to take us through the issues which arise in relation to adopting the new 30 per cent weighting?

MICHAEL GADIEL: As you would know, the 30 per cent weighting, according to the statements by the Minister, includes both the local content provisions but also some of the social objectives and broader economic objectives of the Government. We also have committee inquiry recommendations that talk to the issue of value for money, so working through how those things are reconciled is definitely part of the considerations that have applied.

The CHAIR: Mr Tudehope, we're at the break. Do you have much more? Should we have afternoon tea?

The Hon. DAMIEN TUDEHOPE: I haven't got much more.

The CHAIR: We'll have a 15-minute break.

(Short adjournment)

The CHAIR: Welcome back, everyone. We will recommence with the Opposition before I hand over to the crossbench.

The Hon. DAMIEN TUDEHOPE: Mr Gadiel, you gave me some figures for 2023-24 in relation to expenditure. When will the 2024-25 figures be available?

MICHAEL GADIEL: They're still being compiled and they're subject to further work and quality assurance. But they'll be available within the next quarter.

The Hon. DAMIEN TUDEHOPE: So by the end of December—I think you're telling me, are you?

MICHAEL GADIEL: Probably before then. In the next month or two.

The Hon. DAMIEN TUDEHOPE: Certainly, you would have thought they would be available before the half-yearly review.

MICHAEL GADIEL: Yes, they'd be this side of Christmas, absolutely.

The Hon. DAMIEN TUDEHOPE: Ms Campbell, I was asking some questions of Mr Gadiel in relation to a policy position being adopted by the Government in respect of one of its election commitments, and he gave me some answers in relation to the policy position of Government: that policies that are being considered by agencies and that have the potential to go to Cabinet are, at that point, automatically Cabinet in confidence. Is that your understanding?

SONYA CAMPBELL: Is that a question for me?

The Hon. DAMIEN TUDEHOPE: Perhaps Mr Gadiel wants to clarify that before—

SONYA CAMPBELL: Sure.

MICHAEL GADIEL: I'd refer you to the response—

The Hon. DAMIEN TUDEHOPE: Clause 2.3?

MICHAEL GADIEL: —that Kate Boyd gave you on the twentieth in these estimates regarding the status of Cabinet in confidence. I think we can probably take that as the most definitive position.

The Hon. DAMIEN TUDEHOPE: So what you are asserting, in terms of the answers you're giving today, is that you're relying on Kate Boyd's position? I think she references the Cabinet—I think it's clause 2.3. Is that what she has referred you to?

MICHAEL GADIEL: I'm not an expert on this and by no means a lawyer, so I rely on the Cabinet Office's interpretation of this. But my understanding is the upshot of the position that Kate put was that if something reveals a position that a Minister puts to Cabinet or a position taken to Cabinet, then it's considered Cabinet in confidence.

CORRECTED

The Hon. DAMIEN TUDEHOPE: Potentially there's some force in that, but this is material work that I've been asking you about in terms of the policy positions and the various considerations which you are taking to those policy positions. There's nothing secret here. The Government has a policy position in relation to applying a 30 per cent weighting to capture local content and job creation. There's nothing secret about that. I was just asking about how that policy position was being considered and potentially implemented. Has nothing been to Cabinet yet? Has it been to Cabinet?

MICHAEL GADIEL: I can say it's definitely under consideration of Cabinet, yes, which hence constrains my capacity to be able to talk to you more fulsomely about the nature of the advice that we've given.

The Hon. DAMIEN TUDEHOPE: Obviously you received advice in the break to strengthen your position in relation to the issues that I was putting to you. I'll give you an opportunity, Ms Campbell. Was that your understanding?

SONYA CAMPBELL: Yes. I agree with what Mr Gadiel has said and the evidence that Ms Boyd gave in these estimates hearings.

The Hon. DAMIEN TUDEHOPE: What do you say is the trigger for it actually becoming a Cabinet-in-confidence policy?

SONYA CAMPBELL: The principle, as I understand it, is that if it reveals the considerations of a Minister or the considerations of the Government, then it would attract Cabinet in confidence.

The Hon. DAMIEN TUDEHOPE: That can be a wide variety of things, could it not?

SONYA CAMPBELL: It certainly can, Mr Tudehope, yes.

The Hon. DAMIEN TUDEHOPE: There might be 10 or 15 options which are being considered. So all of those are Cabinet in confidence, you say?

SONYA CAMPBELL: Again, there's always nuance. The agency being asked to return documents would have to take into account what would constitute Cabinet in confidence and what does not in the particular circumstances.

The Hon. DAMIEN TUDEHOPE: In relation to documents, we may have to test that and we probably will be testing that. I have to say that—in terms of being able to, in this forum, talk about the work which the agency is doing to develop a commitment—I find it extraordinary that it should be covered by a notion of Cabinet in confidence in circumstances where it is merely an articulation at this stage of what is being considered by the agency.

SONYA CAMPBELL: Remember, Mr Tudehope, that the agency is acting on the direction of the Minister and so that is advice being provided by the agency to the Minister to inform positions that the Minister may take to Cabinet.

The Hon. DAMIEN TUDEHOPE: Say they don't go to Cabinet. Say in 12 months time we're back here and I'm asking you these same questions—never been to Cabinet. Would it still be the case that you could rely on Cabinet in confidence?

SONYA CAMPBELL: I think we'd have to deal with that question in 12 months time, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: I just wonder what the parameters of this are. At what point does it stop being a Cabinet-in-confidence position?

SONYA CAMPBELL: That would be a very good question, I would suggest, for the Cabinet Office.

The Hon. DAMIEN TUDEHOPE: Do you understand what I'm saying, Mr Gadiel?

MICHAEL GADIEL: I do, Mr Tudehope.

The Hon. DAMIEN TUDEHOPE: At what stage does this work that you're doing at the moment stop being Cabinet in confidence?

MICHAEL GADIEL: I think it's a valid question and I think the degree of confidentiality changes over time. I think, obviously, Government announcements ease the degree to which matters remain in confidence. But at this stage, the Minister has indicated her position and she has indicated her considerations. At this point in time this is where we stand.

The Hon. DAMIEN TUDEHOPE: Let me put this to you. I asked these identical questions in February this year—or similar questions to this—and I received answers. Today I get no answers. What has changed?

CORRECTED

MICHAEL GADIEL: I'd just refer you to the Minister's response to these questions this morning.

The Hon. DAMIEN TUDEHOPE: What has changed is that you're saying the Minister has given a response—

MICHAEL GADIEL: I will just say that—

The Hon. DAMIEN TUDEHOPE: —and characterises now her policy positions as being Cabinet in confidence. Because we got answers in February; in September we get no answers.

MICHAEL GADIEL: I can't comment on what the Minister said in February versus now, but I can say the Minister gave her position this morning, and that would be the position that I would refer you to.

The Hon. DAMIEN TUDEHOPE: Is it the case that, at some point, someone will tell you when it's no longer Cabinet in confidence?

MICHAEL GADIEL: Once the Government makes its decisions and announcements are made, then obviously they enter the public domain and they're no longer Cabinet in confidence.

The Hon. DAMIEN TUDEHOPE: It makes this process a bit hard to go through. In response to Dr Kaine's learned report, recommendation 12 of the inquiry provided that the New South Wales Government will consult with relevant government agencies to identify what certification schemes for social enterprises are available for adoption and what potential targets could be established. In the eight months since the handing down of that report and the making of that commitment, have any such certification schemes been identified? Has any work been done on suitable specific targets for procurement from social enterprises?

MICHAEL GADIEL: Yes. We have moved to a new certifier for social enterprises, which is aligned with international standards—those being that the enterprise must exist to solve a social or environmental problem, that it prioritises its purpose over profit in operational decisions and have a self-sustaining revenue model as well as reinvesting any majority of their surplus towards their purpose and choose legal structures and financing that protect and lock in purpose long term. Consistent with that definition, we have identified SEFA as the certifier for social enterprises and we have WEConnect as the certifier for women-owned enterprises.

The Hon. DAMIEN TUDEHOPE: Does that have to go to Cabinet?

MICHAEL GADIEL: No, they don't need to go to Cabinet.

The Hon. DAMIEN TUDEHOPE: Isn't it part of the same policy positions?

MICHAEL GADIEL: They're policies that have been implemented through the Procurement Board and its capacity to make policy on behalf of government.

The Hon. DAMIEN TUDEHOPE: In relation to the "if not, why not" policy, has any further work been done on identifying a more robust approach to identifying local New South Wales suppliers, other than by postcode of the principle place of business registered with an ABN?

MICHAEL GADIEL: We are exploring opportunities to apply other tests for a local business. But, as you can imagine, it's quite challenging to know exactly where a business is primarily located. At this stage, the primary test is its ABN registration. But we do leverage other information. If we know that the business is merely registered in New South Wales but primarily operates elsewhere, then we would make an adjustment to the data where that's drawn to our attention.

Ms CATE FAEHRMANN: My first question is about the Auditor-General's report into the Resources Regulator regulating mining rehabilitation. I've got some questions about a few things that were contained in that report. Firstly, the Auditor-General found that there were potential issues with potential conflict of duties due to the integration of the Resources Regulator under NSW Resources. The report states that the regulator removed its guidelines, stating that it had clear separation from industry development activities in February 2025. Why was that change made?

GEORGINA BEATTIE: I might kick off the answer to that question and then hand over to Ms Tripodi, who is here for the Resources Regulator. The Audit Office recommendations have been supported in full by the Government, which includes a review of our governance processes. But what I would say is that we have very clear delegated decision-making for compliance and enforcement decisions. We have a number of measures in place with panels that make decisions delegated from the secretary and a whole lot of policies. In relation to that specific reference that you make into the document, that was done within the branch of the Resources Regulator. Jamie can talk to that one.

CORRECTED

JAMIE TRIPODI: My understanding is that it was an update of website content. It was removed because it was considered to no longer be completely accurate. It needed updating in relation to the content of it and how it explained the way that the regulator operates, which has no reference at all to its independency. It was just updated in regard to the terminology when we did a review of the website. It had become a less critical document in regard to the people that were accessing it.

Ms CATE FAEHRMANN: The report states that the regulator was made part of NSW Resources back in May 2021. That was a decision of the former Coalition Government, which is a concern in itself. Were you around at that time, firstly, Ms Tripodi?

JAMIE TRIPODI: Not in the regulator, no.

Ms CATE FAEHRMANN: Are you suggesting that the statement that the regulator's previous compliance and enforcement approach guideline "is a standalone regulator created to ensure that the regulatory functions of the department have clear separation from industry development activities" should have been removed in May 2021?

JAMIE TRIPODI: No, what I'm saying is that there has been no change to the way the regulator functions at all, just that the website content was updated. I wasn't involved in the decision to remove that, but there has been absolutely no change to the way that the regulator has operated since that information was removed. That's through a very clear framework of delegations around decision-making and a separation of those decision-making functions between different aspects, where appropriate, across the department. As the executive director of the Resources Regulator, the very large majority of decisions pertaining to particularly compliance and regulatory functions are all made by myself.

GEORGINA BEATTIE: If I can just add to that, the regulator functions have always been in the same department as the policy functions for resources. That didn't change in 2021. That has always been the case since the establishment of the regulator. That is not uncommon with other policy and regulatory functions across government in all sorts of portfolios. But the recommendation by the Audit Office is obviously something that's supported. The department is reviewing its governance framework to make sure that the controls that we have in place—and there are many—are appropriate and to manage any perceived risks.

Ms CATE FAEHRMANN: In terms of the Auditor-General's recommendations, which you said the Government supports in full, the Auditor-General notes the "conscious decision to focus on implementing the rehabilitation reforms" and the reduction in the number of notices issued by the regulator to the leaseholders of large mines and the significant decline in that. What is the department doing in terms of accepting that recommendation going forward?

JAMIE TRIPODI: For the numbers and the notices, my understanding is that that was only during the period of transition and the change management of getting everybody in line with the new requirements. We've returned to our usual program of compliance, which is a significant number of site inspections. We have a targeted audit program, and our compliance priorities is a published document that is on our website. We publish that six-monthly.

Ms CATE FAEHRMANN: Going back to the issue of the Broken Hill lead contamination, whose responsibility is it to clean up the lead contamination around Broken Hill to remediate the works? I think there's a strategy document or a plan in terms of part of the interagency Broken Hill lead response group. That is different strategies. I understand one of them is soil remediation. Who is responsible for that work and for monitoring it?

JAMIE TRIPODI: Did you want to talk about the whole-of-government stuff?

GEORGINA BEATTIE: Sure. I'm happy to kick off with that. There is a whole-of-government response to lead in Broken Hill. There are different agencies represented on that group, with different remits. Lead pollution and community levels of lead are overseen by the Environment Protection Authority. Jamie can talk to specifically the Resources Regulator, which is related to the rehabilitation of mine sites and also lead as it impacts workers. Obviously remediation and the rehabilitation of current mine sites is very relevant to any dust that is created and works alongside the Environment Protection Authority's licensing for dust. But the lead response group is chaired by the Premier's Department, and NSW Health and the EPA—there are a range of agencies involved.

Ms CATE FAEHRMANN: The question more so is about the remediation of any sites by the mining companies. I assume it would be the regulator that does that. And I'm not talking about the EPA, what they would do. I'm not sure much is happening in terms of literally remediating the soil. So I'm just wondering what's going on with that.

CORRECTED

JAMIE TRIPODI: If it's on the mine sites and it's related to existing mining operations, then, yes, the regulator would investigate and work across agencies. We work very closely with the EPA. It would be both. EPA have a responsibility in regards to—which you're, obviously, aware of.

Ms CATE FAEHRMANN: It's very clear, from the reports, that the dust is not just on the mine site. The dust is being spread throughout the town, depending on how the wind blows and other things. And it's very clear from tests undertaken, for example, in public parks, that there are very high levels of lead in various places. Are you saying that the mining company—just wondering who is responsible for this in terms of payment as well. Do they not have to worry about that?

JAMIE TRIPODI: It would depend, site by site, exactly what the issue is.

Ms CATE FAEHRMANN: In Broken Hill?

JAMIE TRIPODI: But those existing mines would have environmental protection licences if they were a large mine. The requirement for them in regards to pollution is—the EPA oversees that.

Ms CATE FAEHRMANN: I'm talking about remediation. I understand. I'm talking about remediation, rehabilitation, the obligations on mining companies to clean up their mess. That's part of your responsibility, isn't it?

JAMIE TRIPODI: Yes. If it's to do with the mine site, yes. If it's in relation to rehabilitation and remediation—but we do cross over very closely with EPA.

Ms CATE FAEHRMANN: Just to be clear, it sounds like—the community's asking me about this. It sounds like, when you're saying "if it's to do with the mine site", the dust with lead in it—once it leaves that mine site, makes its way into different areas like public parks and streets, residential streets and everywhere else, the mine doesn't have to do anything.

JAMIE TRIPODI: No, it's not that the mine doesn't have to do anything. It's that it depends—

Ms CATE FAEHRMANN: It becomes the responsibility of the EPA.

JAMIE TRIPODI: It depends on the regulatory authority, but we would work with them to ascertain what was the causation of the issue.

Ms CATE FAEHRMANN: Are you working with them now?

JAMIE TRIPODI: We are always working with the EPA. I can take on notice—Broken Hill specific—what actions have occurred or just the current status of that group. However, we work with them consistently and constantly on these sites until we ascertain exactly the causation of a contamination event or some sort of pollution event. Workers are a different story. Lead levels for workers are us, absolutely. We have a very set framework in regards to management of that. I can provide you a bit of an overview if you'd like.

Ms CATE FAEHRMANN: We will come to that in a second, actually, because I am interested in that, just to finish this off. Ms Beattie, when did you become aware of—I raised this report before; I've raised it a little bit in this whole session of budget estimates, with different Ministers—the 2019 report by Mark Taylor, the "state of the science" report in relation to Broken Hill lead? When did you first become aware of that report?

GEORGINA BEATTIE: Last week I learned that you were asking questions about this report, and I have since understood that it was published and made available in 2023. Am I aware of lead contamination in Broken Hill? Yes. And, as we've discussed, the role is a whole-of-government focus. Our focus is on mine sites, and rehabilitation is directly related, obviously, to the level of disturbed land, which creates dust. And the EPA licensed those operations as well. But levels of lead in Broken Hill are not a new thing. There is a high level of lead in the soil in Broken Hill. There is a very long history of mining and lots of exposed land in Broken Hill for dust to circulate.

Ms CATE FAEHRMANN: I'll just map this out a little bit more. NSW Resources is a part of the Broken Hill lead response group. They got a presentation on this report years ago. It's also part of a subgroup of the response group, called the remediation working group, I understand. Is that correct? There's a remediation working group as part of—

GEORGINA BEATTIE: Yes. That's correct.

Ms CATE FAEHRMANN: So that group has to consider—do you know about that group, firstly, Ms Tripodi?

JAMIE TRIPODI: I am aware of the group.

CORRECTED

Ms CATE FAEHRMANN: That group has to consider the recommendations of Mark Taylor's "state of the science" report. I've seen the briefs that have the different recommendations. It's not just a random academic report I'm just obsessed with. It is key to the work, in terms of cleaning up lead in Broken Hill. There's a recommendation which is recommendation 4, which is:

Identifying and reducing emissions: Determine and set an acceptable trigger value for Pb in deposited dust and introduce environmental licensing regulations limiting Pb in deposited dust.

Is anything being done on that one, for example? And there's another one, just very clear, around needing to reduce the level of lead in the soil if there is any hope to reduce the blood lead levels in children's blood. Isn't that serious enough to know about this report and what the regulator is doing about it? I'll go to you, Ms Tripodi, actually, if you say you know about it.

JAMIE TRIPODI: I'm aware of the different groups, yes. And I've become aware of that report this week and had a look at it. But I think we should take on notice existing work around that space, just because I'm not across that level of detail.

GEORGINA BEATTIE: It's really a matter for the EPA and NSW Health, and I believe you asked questions—

Ms CATE FAEHRMANN: There's an inter-agency group, though, and the Resources Regulator is responsible for rehabilitation as well. And I've been asking all the departments, and everybody's flicking it around. I think the inter-agency group was established because it's such a serious issue, because all the kids have got blood lead levels—like, 40 per cent of them or something—that are too high. You know what lead does to kids? It literally stunts their learning and development. And everybody's saying it's someone else's responsibility, and the agency sat on this report for four years. Not good enough, really, is it?

The CHAIR: We'll take that as a comment.

GEORGINA BEATTIE: Again I would refer you to the EPA, who commissioned the report, and the details that Mr Chappel spoke about on Friday, in relation to that report.

Ms CATE FAEHRMANN: There was one other issue. Let's go back to lead levels in workers—another great, happy issue that you're dealing with. In terms of lead levels in workers, the question I asked before with the Minister—the 33 notifications. In lead-mining regions, is there a program of every worker tested regularly for lead levels?

JAMIE TRIPODI: There's a range of things that we do, and the regulator is very heavily involved. Obviously, a very clear key area of our responsibility is the WHS of our mine workers. In regards to lead risk, we do have a couple of different types of notification. But we do also work—it's definitely, clearly, our responsibility. But we work very, very closely with Health, the Ministry of Health and the local regional health areas because they receive particular level notifications from pathology companies as well. So it's important that we're all working together around information. From the regulator's perspective, we get two different types of notifications. We get the lead risk work notifications, which is where lead risk work's carried out on site, defined by blood lead levels. And you'd be aware that it's micrograms per decilitre. I usually stuff that up every time. But if they exceed five for females of reproductive age or 20 for other workers, then, yes, we are notified.

The other notification is a removal notification, which is, potentially, what you were referring to earlier today, where, if a blood lead level exceeds 10 for females of reproductive age and 30 for other workers, then they do get formally removed from that work that has been identified as lead risk. The companies are obligated to—they have a lead management plan or strategy. We audit those very regularly. When we get a notification, we'll also undertake an investigation. The sorts of things looked at is air monitoring, making sure they've got change room facilities so there's not contamination from their work clothes into other environments, training in how to properly use their PPE, and just the usual health surveillance. So, yes, they are required to have blood tests.

Ms CATE FAEHRMANN: They are required to have blood tests?

JAMIE TRIPODI: Yes, there's blood tests for—

Ms CATE FAEHRMANN: Is this annual?

JAMIE TRIPODI: Sorry, what was that?

Ms CATE FAEHRMANN: How does that take place, the requirement for blood testing? Is it done by the company regularly?

CORRECTED

JAMIE TRIPODI: Yes, by the company, and it's part of their lead management strategy, and it's when they're in roles that identified where they've done that risk assessment and identified that there is a risk of lead becoming an issue for those workers. So the regulator—

Ms CATE FAEHRMANN: Just to be clear, this is in, say, goldmining—because that has lead—so it's in every mine where there is a potential?

JAMIE TRIPODI: Yes. Quite often, lead is mixed in—and I'm no geologist, but lead is mixed in with the other metallics that they're searching for as well, or it's a by-product. In all of those mines, they're required to undertake that.

Ms CATE FAEHRMANN: I might put some more questions on notice in terms of some of the statistics around that. Does the Resources Regulator have a similar role for silicosis in mine workers?

JAMIE TRIPODI: You'd be aware that there's a silicosis national register now, but we actually have our own framework through Coal Services. We have a specific one for mining, and it is a very robust framework. I'll just quickly find—

Ms CATE FAEHRMANN: When you say Coal Services, is that also for—I have heard that there are at least a number of, in terms of the Cadia goldmine, workers with silicosis there. I don't know how public that is, but I hear from multiple people that that is an issue. Is that reported to you?

JAMIE TRIPODI: It would be reported—we would be made aware of it, and we would investigate it.

Ms CATE FAEHRMANN: Have you been?

JAMIE TRIPODI: Yes.

Ms CATE FAEHRMANN: In terms of Cadia?

JAMIE TRIPODI: In terms of Cadia specifically? I'll have to check for you. But just to outline—

Ms CATE FAEHRMANN: If you haven't, I would advise you to.

JAMIE TRIPODI: Yes. I am aware of some investigations, but I'll just double-check my notes for you. We investigate everything that is reported to us, and we also have a new health team that we've stood up with specialised hygienists and things to make sure we're out and about more. In Cadia, we were notified and investigated the matters. That was in 2024. That was two Cadia workers, if that's what you're referring to. They were first detected during the health surveillance program testing conducted by the mine themselves. There was no evidence found linking the cause of the disease to the work they were doing at Cadia in either of those cases, once they were investigated. Quite often, though, when I've had a look and spent some time with our health team recently, workers diagnosed with these diseases have worked in the industry for a while. They've also worked in other industries that have potentially historically had issues with silicosis as well. So it is sometimes the issue that it gets picked up; however, it's not linked to their current employment. We do take those reports very seriously. We review and investigate them all.

But for coal—which is different, again, obviously, to the example of Cadia—they're already covered by a more stringent health surveillance scheme than the most recent silica register for SafeWork. The Coal Industry Act, which is the basis on which Coal Services operates, have an order just to say that on entry to the industry as well as every three years they're required to be looked at. They're put in the register—there's a register. It requires health monitoring by accredited practitioners. It's quite an extensive framework, which is why mining is exempt from the new register.

Ms CATE FAEHRMANN: Thank you. This will be probably my last line of questioning. I've just got some documents to hand up.

The CHAIR: To table?

Ms CATE FAEHRMANN: To table, that's it, and to pass to the witness. By leave, I table the documents.

Documents tabled.

Ms CATE FAEHRMANN: I was talking about the RZ Resources Copi mineral sands project out at Wentworth earlier. There are a couple of photos of what are called the sonic holes, exploration holes, on this constituent's property out at Wentworth. This is within this term of government that the Resources Regulator has been out to their place and investigated their concerns around noncompliance, dust on their property, these exploration holes that haven't been filled in and has basically not identified any noncompliances with the complaints. Firstly, why is that? Why did the Resources Regulator—I mean, the images in the documents show

CORRECTED

the holes. They should have been rehabilitated and not left like that on this person's property, where their dogs and kids and their goats which they farm can fall in.

JAMIE TRIPODI: Absolutely. I'm very familiar with this site.

Ms CATE FAEHRMANN: Yes, I'm sure you would be.

JAMIE TRIPODI: We've spent a lot of time with the landholder as well through a range of different roles and things. We've conducted two previous investigations into complaints and, as you're saying, the complaints were unsustainable. I'm not sure of the dating on these photos. I'm not questioning that they're not filled in or the veracity of the information that you've provided. I'm absolutely prepared to have a look at this and determine whether it is a new issue or something that has arisen of late.

It's also difficult to tell whereabouts on the property these are. If this is leftover exploration, they should have been filled in. There were many, many alleged noncompliances. We've sent officers out multiple times. We've also worked with Planning because they had some other issues out there as well. We're working across government in relation to the site. I'm happy to look into these and have someone investigate these if they're new issues or they've not been looked at before. But it is hard to tell from these the location, the date, what are they actually from—

Ms CATE FAEHRMANN: I have lots of photos in terms of really terrible dust from vehicles travelling right next to the property and dust going all the way over their house.

JAMIE TRIPODI: There is a really broken down relationship between the parties—

Ms CATE FAEHRMANN: It's not surprising.

JAMIE TRIPODI: —for a range of reasons, though. There's a land arbitration matter about an existing agreement. They'd had a previous relationship separate to this matter that had broken down as well.

Ms CATE FAEHRMANN: RZ Resources was Relentless Resources before that. There were details that were revealed via a GIPAA of falsifying of documents about rehabilitation back in 2020 and 2021. This is that same company that has had 100 breaches. I'd believe the landholder over that company any day, to be brutally honest. The other question I had was around the enforceable undertaking. That was the payment of \$165,000 and whatever it was that RZ Resources paid. Who determines that amount and where it goes to?

JAMIE TRIPODI: All of our policies around our regulatory approach are all published. But in regards to enforceable undertakings, the Resources Regulator determines those, and it is based on a range of considerations around the history of the matter, the compliance background of the person, the severity of the breach that has occurred and just generally what our overarching policy would be in regards to compliance. What is the outcome that we would be seeking and the best way to get that, including, like I said, considering previous performance.

Ms CATE FAEHRMANN: The Resources Regulator, therefore, determined that RZ Resources—or was it Relentless at the time when they had to pay the \$165,000? I understand that none of that money went to the landholders impacted, and that money was donated to the Association of Mining and Exploration Companies, paid to the Wentworth Shire Council for works on a public park and used to pay the regulator costs. Are you kidding me?

JAMIE TRIPODI: They're usually things such as education tools—

Ms CATE FAEHRMANN: But, no, that's not what this is here, though.

JAMIE TRIPODI: —training to improve that industry, and community service, so that would be the park, and it really depends on the site and the offence—the issue at hand.

Ms CATE FAEHRMANN: Why didn't it go to actually completing rehabilitation? They were fined for things like not completing rehabilitation, not monitoring completed rehabilitation, failing to maintain adequate records, failing to comply with activity approvals and not consulting landholders, and the landholders got nothing?

JAMIE TRIPODI: All of those matters have been resolved, though, or remediated or rehabilitated prior to the enforceable undertaking. These are new matters.

Ms CATE FAEHRMANN: I'm not sure that's the case, Ms Tripodi, with respect.

GEORGINA BEATTIE: Any payment that is negotiated as part of an enforceable undertaking is in addition to the regulatory requirements.

JAMIE TRIPODI: The remediation, the reports—whatever is required.

CORRECTED

The CHAIR: That concludes the hearing. We very much appreciate you coming along to give evidence today and for the work you do for the people of New South Wales. The secretariat will be in contact in due course with any matters that were taken on notice. Thank you very much. You are free to go.

(The witnesses withdrew.)

The Committee proceeded to deliberate.