

# PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT

Tuesday 24 February 2026

Examination of proposed expenditure for the portfolio areas

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

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The Committee met at 9:15.

### MEMBERS

Ms Sue Higginson (Chair)

Ms Abigail Boyd

The Hon. Mark Buttigieg

Dr Amanda Cohn

Ms Cate Faehrmann

The Hon. Wes Fang

The Hon. Dr Sarah Kaine

The Hon. Mark Latham

The Hon. Tania Mihailuk

The Hon. Jacqui Munro

The Hon. Peter Primrose

The Hon. John Ruddick (Deputy Chair)

### PRESENT

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

## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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

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**The CHAIR:** Thank you, everybody, and welcome to the first hearing of Portfolio Committee No. 7 – Planning and Environment for the additional round of budget estimates 2025-26. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respect to any Aboriginal and Torres Strait Islander people joining us today. My name is Sue Higginson. I am the Chair of the Committee. I welcome Minister Sharpe and accompanying officials to this hearing.

Today, the Committee will examine the proposed expenditure for the portfolios Climate Change, Energy, the Environment, and Heritage. I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures. 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 Lean and Mr Chappel, as you have both appeared at the initial hearing before this Committee, you also do not need to be sworn.

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

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

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

**The Hon. JACQUI MUNRO:** Good morning, Minister. Nice to see you. Last year I asked about your department's modelling in relation to data centres and was given the response that the department relies on AEMO modelling. I wanted to clarify what specific modelling you're using to determine the potential impact of data centres on the energy grid.

**The Hon. PENNY SHARPE:** Thank you, and congratulations on your new role. Since then, there's more work that's been undertaken in relation to data centres. There is work being done around increased demand and looking at the projects that are in the pipeline. It's a combination of two types of modelling. It's the work that AEMO does in terms of ongoing demand on the grid, which is in regular reports that come through, but it's also the work that we're doing internally for the Government's work for the NSW data centre strategy, which I know you're aware of.

**The Hon. JACQUI MUNRO:** Is the AEMO modelling that you're using State specific?

**The Hon. PENNY SHARPE:** I believe it is. Mr Lean looks like he's got some more information there. I might hand over to him. He can give you more detail about that.

**ANTHONY LEAN:** Yes, it is State specific. It's also reflected in our Energy Security Target Monitor report. The data is replicated there. It assumes an additional peak of 900 megawatts by 2033-34, and that comes from the ESOO report from 2025. They've also done sensitivity around higher data centre growth, as well, which assumes another 480 megawatts.

**The Hon. JACQUI MUNRO:** So, the department is doing its own modelling now in relation to—

**The Hon. PENNY SHARPE:** Yes, we're obviously doing our own analysis. Whether you call it modelling or analysis, it is what is going to be the impact on the grid, working with the AEMO data and feeding into the Government's response overall to data centres.

**The Hon. JACQUI MUNRO:** In relation to the IDA, has the IDA requested specific modelling from your department about the data centre projects that it was receiving?

**The Hon. PENNY SHARPE:** I'm not aware of that. The IDA has obviously gone out and done an expression of interest process where there's been a lot of interest in relation to data centres. It's really at the beginning of its arrangements. As I'm aware, none of that has come forward yet. I am not aware that the IDA has asked for specific modelling, but obviously as the work goes through—that's not really their role. Their role will be to assist through the planning system and look at that. It will get dealt with through the usual EIS processes.

**The Hon. JACQUI MUNRO:** Do you have any visibility over how many data centres are being proposed through the IDA?

**The Hon. PENNY SHARPE:** Not at this point. As I understand it—and I will check this, and I'm sure someone will give me a note about where this is, because this is obviously not my portfolio. I think there is some information around the EOI in the notes. All I can say, and I'll get you the actual figures—there's been a lot of interest in terms of the opening EOIs. Obviously, none of them have gone through the process yet, but I'm happy to provide that information for you.

**The Hon. JACQUI MUNRO:** Just to clarify—obviously there is lots of interest about data centres—through this IDA process, is there going to be a way to look at these in totality and determine their approval according to the full demand on the grid, in relation to every data centre that's proposed? Or is it still going to be a sort of piecemeal approach? How is the intention of prioritisation going to work?

**The Hon. PENNY SHARPE:** That's part of the process, really. There's two processes, and I can tell you that the initial IDA expression of interest round received 26 submissions relating to data centres. A huge

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amount of investment potential there: around \$100 billion. The interest is high. It's also the case that we already have about 60 data centres operating in New South Wales.

**The Hon. JACQUI MUNRO:** I think it's actually more like 90.

**The Hon. PENNY SHARPE:** It depends on how you count them, but, yes, 60 or 90—I'm aware. This is the whole idea with the IDA. There are two things happening here. One is that New South Wales is really keen to see the investment and the potential in terms of data centres. You can't go anywhere without people talking about AI, talking about the importance of data centres. New South Wales is a really attractive place for people to invest and there's a lot of people—I'm sure they're talking to you—coming and talking to government and others about wanting to have data centres in New South Wales. There's a range of reasons for that. Partly, we've got a very clear pathway to renewables, we've got a good energy grid, we're upgrading our grid. All of that makes that attractive. Also, the location of some of the places and the land where you can put that makes it attractive as well. It's also attractive internationally in terms of the national security of data. Australia is a trusted democracy.

**The Hon. JACQUI MUNRO:** Yes, but just going back to energy specifically—how is that prioritisation process going to work?

**The Hon. PENNY SHARPE:** That's what we're working through at the moment. We'll have to do that.

**The Hon. JACQUI MUNRO:** Just to clarify, how is the IDA working with your department to determine that prioritisation?

**The Hon. PENNY SHARPE:** The IDA is setting up. They've done their first EOI. NSW is also doing the data centre strategy. That's really where a lot of that work about how much we need to do it—off the top of my head, I believe that the demand on our energy system could be an additional 12 per cent demand. I'd need to check exactly which parameters are in this, but essentially if everything that's currently in the planning system was approved, that's what you're looking at. It's significant, as is water. I'm sure you'll talk to Minister Jackson about that. The way that the Government is doing it is we've got a strategy that is taking a big look at how we deal with things like water and guidelines, and how we do investment. The IDA is the process for taking and assisting that planning pathway through our planning system. The answer to your question is that all of those will be dealt with when we get to that point. There aren't projects at the moment that we're saying, "Yes, this one. No, not this one."

**The Hon. JACQUI MUNRO:** When is the data centre strategy going to be released?

**The Hon. PENNY SHARPE:** Soon. Again, it's not my—it sits within NSW, so you should ask the relevant Minister. But we're working very closely on that.

**The Hon. JACQUI MUNRO:** But have you then finalised your department's submission to Infrastructure NSW?

**The Hon. PENNY SHARPE:** There's ongoing discussions. We work across government; we work collaboratively with our different departments. You can probably ask my officials this afternoon in terms of the amount of work that's going into it. There's a lot, and they can take you through that.

**The Hon. JACQUI MUNRO:** My understanding from your answer is that without the data centre strategy, the IDA process can't continue.

**The Hon. PENNY SHARPE:** No, I wouldn't say that at all. These things are all happening in parallel.

**The Hon. JACQUI MUNRO:** It just seems like, from what you've just said, the IDA can't approve anything until the data centre strategy is undertaken.

**The Hon. PENNY SHARPE:** You'd need to ask the Ministers responsible for the IDA. I can tell you what we're doing in terms of Energy and DCCEEW more broadly. I don't know whether Mr Lean wants to add anything to it.

**The Hon. PETER PRIMROSE:** Point of order: The Minister is here to talk about and answer questions in relation to her portfolio. The Minister is obviously aware of other aspects of what's going on in the Government, but it's then inappropriate to draw conclusions constantly. If the Hon. Jacqui Munro is not aware of the correct Minister to ask, then I am sure someone in the secretariat can advise her. To simply keep repeating the same questions to the Minister and the Minister says, "You need to take this up with the appropriate Minister," can I just get clarification as to whether that's in order?

**The Hon. JACQUI MUNRO:** I'm happy to move on. That's fairly spurious, but anyway.

**The Hon. WES FANG:** And also somewhat rude, I would suggest, Chair.

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**The CHAIR:** We don't need that right now. It's a fair enough point of order.

**The Hon. JACQUI MUNRO:** I'm just trying to find out information.

**The CHAIR:** But I think the member and the Minister were fine.

**The Hon. PENNY SHARPE:** I think that's right. The questions that the member is asking are legitimate. Data centres and their role in New South Wales, the opportunities they provide as well as the new challenges that they're bringing forward are something that government really hasn't—it wasn't even on the agenda five years ago, even though there have been some data centres plugging in. The questions that are being asked are legitimate. I suppose what I really want to emphasise to the Committee is that the Government is taking all of that seriously, and that's why there is a number of different pathways that we are working through that. We want the investment. We want to be a place for data centres, but there are significant constraints that we need to work through, and that's exactly what the Government is doing.

**The Hon. JACQUI MUNRO:** To continue on the impact of data centres more specifically on energy, there were responses given this year to questions from last year from your department noting that wholesale prices are determined by demand and supply, the national energy market—all demand affects prices. Obviously New South Wales household prices are increasing. The impact of data centres will mean that there is more grid pressure. Are you concerned about the impact of data centres on actual household energy bills and small business bills?

**The Hon. PENNY SHARPE:** Absolutely. Of course. One of the key things I worry about every day is the impact of prices on households and businesses when it comes to energy. There is no doubt that increased demand from data centres could significantly put pressure on prices. The key to that—and, again, I go back to the kinds of things we're thinking about more broadly—is what other energy is put into the system, what is the way in which data centres would connect to the grid and how is that cost dealt with. They're all matters that are really under question. Yes, it is a risk, and that's part of why the Government is undertaking the work that it is.

**The Hon. JACQUI MUNRO:** Given that risk, and your concern, what kind of analysis is your department doing to understand what the impact of that growth that you mentioned earlier, whether it's 900 megawatts or 1,300 megawatts, will have on energy prices?

**The Hon. PENNY SHARPE:** They're looking at what that could be and what that could cost.

**The Hon. JACQUI MUNRO:** So that is work that is going on at the moment?

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

**The Hon. JACQUI MUNRO:** Can you give any information about the outcome of that analysis?

**The Hon. PENNY SHARPE:** I can take some of the detail on notice, but I'd encourage you to talk to my officials this afternoon.

**The Hon. JACQUI MUNRO:** I certainly will.

**The Hon. PENNY SHARPE:** They'll be able to take you through that. But, yes, of course, if you increase demand and we have constrained supply, it's going to cost more.

**The Hon. JACQUI MUNRO:** Just to really clarify, do you have specific information about how those energy prices might be increasing—

**The Hon. PENNY SHARPE:** Yes, I believe so.

**The Hon. JACQUI MUNRO:** But you don't have the figures on you.

**The Hon. PENNY SHARPE:** No, I don't, but I'm happy to try and get those. The caveat that I would put on any of that is: When you're looking at it, it really depends on—do you account for all of the costs? I suppose, what goes into the model depends on what goes out. The other thing that I would say to you is that the work that's being undertaken is also part of the Cabinet process in terms of the development of the strategy as well.

**The Hon. JACQUI MUNRO:** Just on the waste levy, there has been a delay on what was supposed to be a new waste levy program that was promised two Christmases ago. In the MYEFO statement released at the end of last year, waste and environment levies revenue has been revised down by \$76.4 million in this financial year to reflect lower than expected waste sent to landfill. I'm just wondering why that was.

**The Hon. PENNY SHARPE:** Two things there: If you're asking about what's delayed, there was a waste levy review. At the moment, waste levy is collected at a certain tonnage and a certain cost, and usually the increase follows CPI. Part of the review was looking at whether we should raise the waste levy. You're right that

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the Government hasn't made a final decision about that, but we have informed councils that it will be by CPI this year, so that decision has been taken. I'd need to take on notice details exactly about why the number's going down, but the first answer would be that it means that more is being diverted from landfill. The whole point of the waste levy is to act as a lever and an incentive for more to be recycled and for more of it to be diverted from landfill. I don't know whether Tony has any extra information about that, but if the funding has gone down and the projections are down, it means there is actually more being diverted, and that's a good news story.

**The Hon. JACQUI MUNRO:** That's why I was curious about what the cause was. Do you mind if I ask you later today about that, given we have limited time?

**TONY CHAPPEL:** Sure.

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

**The Hon. JACQUI MUNRO:** I also wanted to ask what the assumptions in the forward estimates in the MYEFO statement are based on, because there hasn't been an announcement about a new waste levy strategy—

**The Hon. PENNY SHARPE:** That's true.

**The Hon. JACQUI MUNRO:** —further to the CPI increase. I'm just wondering what assumptions have gone into the calculations of the forward estimate waste levy collection.

**The Hon. PENNY SHARPE:** The assumptions would be based on, I assume—and Mr Chappel can give more detail of this—the CPI increases over time.

**TONY CHAPPEL:** That's right, and, Minister, there were some major infrastructure projects that contributed to some upward lumps in the last two years, which is I think one of the reasons why the projection is lower for this year, but I'll confirm that this afternoon.

**The Hon. JACQUI MUNRO:** You've said that red bins are at risk of not being picked up—

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

**The Hon. JACQUI MUNRO:** —and obviously the waste levy delay announcement is part of that risk. I'm just wondering—

**The Hon. PENNY SHARPE:** I would disagree with that. I don't agree with that at all. What I've said, and this is the reality, is that we've done a lot of work on waste when we did the waste infrastructure strategy, which showed that Greater Sydney will run out of landfill space by 2030. That's where the red bin pick-up issue is at risk. There is a number of things that we've undertaken—for example, the FOGO mandates. I'm really pleased that was supported through the Parliament. About a third—

**The Hon. JACQUI MUNRO:** Do you mind if I just redirect you to the question?

**The Hon. PENNY SHARPE:** I disagree with the way in which you've framed that.

**The Hon. JACQUI MUNRO:** I'm wondering if you've identified new landfill sites.

**The Hon. PENNY SHARPE:** There's currently a proposal. There's only one that is in the system at the moment, and that's the expansion of the Cleanaway site down at Lucas Heights.

**The Hon. JACQUI MUNRO:** So there are no other identified sites at this point?

**The Hon. PENNY SHARPE:** In Greater Sydney there are some closed sites and then there are sites that are going to be reaching capacity. They're all identified within the waste infrastructure strategy. But in terms of new landfill in Greater Sydney, the proposal at the moment, and what we're desperately trying to do, is that we accept that we need to do the extension of the Cleanaway, subject to obviously planning approvals and those things, down at Lucas Heights. We're doing as much as we can to divert everything else elsewhere.

**The Hon. JACQUI MUNRO:** I wanted to move to camping fees. In relation to the supported camping tender, in the template contract there appears to be no limitation on the amount of money that contractors can charge for access to supported camping. Is that accurate?

**The Hon. PENNY SHARPE:** No. Where we are at is we have basically gone out to an EOI for supported camping. There are a couple of things I'd say about that. Supported camping is not new in New South Wales. There have been operators that have operated within national parks that provide that.

**The Hon. JACQUI MUNRO:** I do appreciate that.

**The Hon. PENNY SHARPE:** Just let me get to it. We've done an EOI process. That's all being collated for recommendations in relation to me. The point that I would make is that in terms of the expectations of the

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revenue that will be provided if supported camping went ahead in all of the sites that have been proposed, it's about \$32,000 a year. This is not a big money spinner for national parks.

**The Hon. JACQUI MUNRO:** That was part of my question. Therefore my question hasn't really been answered about how operators are limited in terms of what they charge the public.

**The Hon. PENNY SHARPE:** We're not at that point yet. There are no operators. There's been an EOI process where people have indicated an interest, and—

**The Hon. JACQUI MUNRO:** But there is actually a template contract.

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

**The Hon. JACQUI MUNRO:** That relates to how much people would pay—5 to 10 per cent of their revenue.

**The Hon. PENNY SHARPE:** They do an EOI. They provide—again, I haven't seen all of this yet. It hasn't come to me. The department is working through that. They would basically work through. There's an EOI process. If you were actually putting a proposal in, I believe—and Mr Lean can stop me if I'm incorrect here—then that would be worked through. Again, fair questions, but I'm not able to answer them yet because we're not that way through the process.

**The Hon. JACQUI MUNRO:** Would you put a limit on the amount of money that can be charged for access?

**The Hon. PENNY SHARPE:** Potentially but, as I said, the best case scenario is, if everyone was going to be operating, we're looking at about \$32,000 a year. This is not going to be an expensive exercise.

**The Hon. JACQUI MUNRO:** But it might be a money-spinner for the operators—that's the whole point.

**The Hon. PENNY SHARPE:** Are you suggesting that we don't have operators in national parks? There are literally hundreds of them.

**The Hon. JACQUI MUNRO:** I'm asking if there is going to be a limit on the amount that private operators can charge the public for access to national parks in New South Wales.

**The Hon. PENNY SHARPE:** Let me take that on notice, but my sense is it's not going to be tens of thousands of dollars, if that's what you are asking. As I said, the whole revenue, if all of them were there, is \$32,000. In terms of how much they will charge—

**The Hon. JACQUI MUNRO:** But do operators have—

**The Hon. PENNY SHARPE:** Sorry, I understand what you're saying, which is how much are they allowed to—I'm not able to tell you because I haven't seen their business proposals yet.

**The Hon. JACQUI MUNRO:** I guess that's what I'm asking. Are you suggesting that if there is a business proposal provided that charges what you believe to be too much money, then you would reject that proposal?

**The Hon. PENNY SHARPE:** You're asking me a lot of hypotheticals here. Let's go back to why this proposal is here.

**The Hon. JACQUI MUNRO:** But it's not about why.

**The Hon. PENNY SHARPE:** It's important.

**The Hon. JACQUI MUNRO:** It's about how people have access to national parks and guaranteeing that access.

**The Hon. PENNY SHARPE:** Over 90 per cent of sites—there's a whole structure in relation to free sites and then there are some with fees. The supported camping proposal is a small proposal that basically would allow people—and this is not new; this actually happened under the previous Government. There were national parks where there were people who—essentially, you can book.

**The Hon. JACQUI MUNRO:** I'm asking about how.

**The Hon. PENNY SHARPE:** Just let me explain it.

**The Hon. JACQUI MUNRO:** How are people's access to national parks protected?

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**The Hon. PENNY SHARPE:** Access to national parks is absolutely protected, if that's what you're concerned about.

**The Hon. JACQUI MUNRO:** It's not necessarily protected if there are costs associated that we are not aware of or that we're not able—

**The Hon. PENNY SHARPE:** There are costs already if you enter national parks. Some people go on tours.

**The Hon. JACQUI MUNRO:** That's right.

**The Hon. PENNY SHARPE:** There are ecotourism providers who take people on canoes down there. People pay money for that.

**The Hon. JACQUI MUNRO:** But operators are potentially making money off access to public land.

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

**The Hon. JACQUI MUNRO:** So I am asking if you have any limitations on the price that people will have to pay in relation to these contracts—but the answer is you don't know.

**The Hon. PENNY SHARPE:** My answer is, at this point, on these proposals, I don't know. I haven't seen the business proposals.

**The CHAIR:** Minister, we're going to quickly flip back to the energy and climate discussion if that's okay. I am curious. With the extension of Eraring, the data centres in the pipeline and also the Net Zero Commission's report that talked about the continued extensions and expansions of coalmining, and recognising that since you've come to government there's been at least eight expansions, where do we sit with our 2030 target at this point in time?

**The Hon. PENNY SHARPE:** As you're aware, we've got legislated targets. We've got the Net Zero Commission who is working through that. We will have more modelling coming out this year. We have that come out. The most recent modelling said and suggested that the targets are close, but we've got a lot of work to do. I think, off the top of my head, we're about 46 per cent for 2030, if we just want to use that. A lot hangs off all of that. The targets are challenging, but there're something that we're committed to. We're doing a range of work in relation to that. We're going to be creating a new Net Zero Plan, which really will guide the way in which we will meet the 2030, 2035 and 2050 targets. You'd also be aware that under the legislation we'll be looking at future targets, in terms of 2040 and 2045 as well.

**The CHAIR:** How does it work in terms of the modelling, the targets, where we're tracking, in terms of your department's work with the Reconstruction Authority that are busy developing the adaptation plans?

**The Hon. PENNY SHARPE:** It's a really good question. Where we're at with the whole climate change and the commitment from the Government around meeting our targets, was really about saying that business as usual is not something that—we're not going to meet the targets if we don't work across government. So there's a significant amount of work—and I'm sure that Anthony could take you through it; he has to sit on a lot of committees—around how we're working across government, for everyone, on both what are we doing within government to meet targets but also what are we doing across the whole economy. There's cross-government work. I work closely with all of the Ministers, whether it's Minister Scully, Minister Saffin or Minister Graham. Pretty much all of the Ministers have to work through with their departments how they're meeting their targets. That's ongoing work. But it is very collaborative. We are trying very much to make sure that different aspects of it speak to one another—reconstruction, disaster mitigation, all of those sorts of work. We're all in this together. We're all trying to make those things talk to each other.

**The CHAIR:** In terms of the assumptions that we're working on at the moment in order to develop those mitigation adaptation plans, as the Minister responsible for climate change, do you have anything in your mind's eye or on the strategic table about the assumptions that we are still working towards to achieve our 2030 target and the preparation for the adaptation measures that are required? Do you have anything that would be a red line to say, "We're not meeting our targets. Assumptions will need to change"? Or is there anything on the table in that respect?

**The Hon. PENNY SHARPE:** My view is that we've got legislated targets; we need to make sure that we meet those. All of the modelling and work that we do gives us the guide on whether we're doing that or not. The work of the Net Zero Commission and the advice that they provide is something that's another input into what action we need to take. It's a little bit of a hypothetical question.

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**The CHAIR:** I can phrase it better. Do you think at this point, given we're at 46 per cent, that we've got some big problems, as in that we've got to factor in data centres, Eraring and so forth? Is there a point in the next little while—because it's 2026; our target is 2030. Is there a point where you might stand up and say we're not going to meet the target? Is that in your strategic vision?

**The Hon. PENNY SHARPE:** No. That's probably not the way that I operate, really. My view is that we've got targets and that we need to meet them. While I'm the climate change Minister, I'll be doing whatever I can in concert with my colleagues to make sure that we get there. But I'm not pretending that it's going to be easy. It is really hard. There's a whole range—and different sectors are on different trajectories. Some of the work that I'd would also point to is we are moving to the next phase as well. We've got the Net Zero Plan, we've got the Government plan, but also that sort of sector plan. We need to start working through with all of that.

**The CHAIR:** And I can talk to Mr Chappel about some of those after.

**The Hon. PENNY SHARPE:** That's not even talking about the EPA's work and guidelines which are dealing with our highest emitters. New South Wales is forward-leaning in relation to this. A lot of other States are just relying on the Federal safeguard in relation to emissions reduction. We're requiring people with licences to account for and report on how they're going to reduce their emissions, which I'm really pleased about. That work's ongoing.

**The CHAIR:** Can I ask about the GKNP. I saw yesterday the boundaries have been announced and released as to what they look like. Can you give us an indication of when the Parliament will see the legislation establishing the—

**The Hon. PENNY SHARPE:** We will definitely see it this year, before the election. I can give an update on the boundaries. There's been a lot of work going into that. In fact, the park is actually slightly larger as a result of that work.

**The CHAIR:** I saw this.

**The Hon. PENNY SHARPE:** I know that some of the people that you deal with—I think Bolland has now been put into the park. There's been really good work with Forestry Corp and others around acknowledging that we still have plantation, how we actually make that work in a most coherent way. So I think now the boundaries are around 179,000 hectares. Plantation/forestry is still allowed within that. It will definitely be this year. We're working through all of that.

**The CHAIR:** Is it your understanding that within the park, all the tenures will be National Parks or will there be varied tenures within the park boundaries?

**The Hon. PENNY SHARPE:** There may be some varied tenures. Again, that's the next part of it. It's step by step. We've now got sort of the boundaries. There's a lot of interest and there's a lot of different uses in the park.

**The CHAIR:** What about mining? Is mining something that you're—

**The Hon. PENNY SHARPE:** No, I don't believe so. As you would be aware, there are exploration licences and all of those things. That's the difference between a State conservation area and a national park. I think that's what you're getting to. All of that work is undertaken. We need to work through that thoroughly, because there are implications there.

**The CHAIR:** I understand that the cattle grazing leases will not continue—

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

**The CHAIR:** —which I think is an incredibly good story for everybody at this point. In terms of national parks—I know I'm racing ahead, and the Great Koala National Park is something that has long been worked by everyone—is the department and are you, as Minister, contemplating developing a reserve target for New South Wales? With that, obviously, the Commonwealth is advancing the 30 by 30. I've noticed that they've released some of their priority areas, which include areas within New South Wales, particularly in the Northern Rivers area, as target areas that they think they need.

**The Hon. PENNY SHARPE:** I think they're pretty happy about the Great Koala National Park.

**The CHAIR:** I'm sure they are, and the Richmond River Koala Parks. Are you, as Minister, looking at a reserve target for New South Wales?

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**The Hon. PENNY SHARPE:** There are a couple of things to say. This is important, because people raise with me this idea that the 30 by 30 target means that we're trying to make 30 per cent of New South Wales a national park. That is not the case.

**The CHAIR:** I would love that, but I understand.

**The Hon. PENNY SHARPE:** Some of us, not so much. That's just not realistic and that's not part of the target. We are obviously committed to working with the Federal Government on them reaching their own target. Everything that we add helps. It's important to realise that in the past three years, we've added over 650,000 hectares. Not all of that is gazetted yet, but when it's gazetted, the best figures I've got are that about 10.5 per cent of the State will be a protected area. We've actually broken the 10 per cent. That's where we're working. There's the work also in terms of the establishment plan for national parks. We've committed to doing that. It used to be quite regular. There is work being undertaken on that. I know a lot of people will have a say about that. That goes to public consultation. That's really a conversation about what else can go into the national parks estate.

**The CHAIR:** In that plan, are you thinking that there might be something like a target as well? Will it identify what that aspiration looks like for the State?

**The Hon. PENNY SHARPE:** Maybe. I'd go back to the New South Wales nature strategy as well. That's really where we're looking at targets in the future. The nature strategy sort of sits alongside our action on climate change. It's the antidote or the twin part of how we're looking after nature. Climate change sits on this part. We know that we've got real challenges and, frankly, a biodiversity crisis in terms of extinctions, loss of habitat and all of that kind of thing. In the nature strategy—and we sort of flagged this. This is what we're working through: whether there'll be targets within that. The contemplation of protected areas target—let me check if that's been expressly looked at. My view is that we're looking at all of it.

**The CHAIR:** I know it's Mr Ruddick's time, but with the nature strategy—

**The Hon. PENNY SHARPE:** I have just confirmed that. There you go: We are.

**The CHAIR:** I will come to Mr Lean later about that. Do you have a time for when we will see the nature strategy, at this point?

**The Hon. PENNY SHARPE:** We want the change to the Biodiversity Conservation Act, or a significant part of that, before the end of the year.

**The Hon. JOHN RUDDICK:** It's nice to see you, Minister. Do you know what the biggest export commodity from New South Wales is?

**The Hon. PENNY SHARPE:** I think it's coal.

**The Hon. JOHN RUDDICK:** It's coal by more than double of number two. On the one hand, we are shutting down our coal-fired electricity plants, but we are exporting an enormous amount of coal to East Asia—mainly Japan, Taiwan, Korea and China. What are those countries doing with the coal? Are they generating electricity?

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

**The Hon. JOHN RUDDICK:** I think you're wrong, but since the Government believes that carbon dioxide is dangerously warming the planet, it seems very inconsistent that, if this is such a dangerous material, it's our number one export. It provides a lot of jobs and a lot of royalties for the Government.

**The Hon. PENNY SHARPE:** I'm aware.

**The Hon. JOHN RUDDICK:** And the demand for coal is going up.

**The Hon. PENNY SHARPE:** I am aware of all of those matters. There are a couple of things to unpack within that. First of all, it's not just the New South Wales Government that believes that climate change is real, that the planet is warming and that we need to reduce our emissions.

**The Hon. JOHN RUDDICK:** It's falling out of favour around the world, except for here.

**The Hon. PENNY SHARPE:** I think you'll find that the vast majority of countries actually accept that.

**The Hon. JOHN RUDDICK:** No.

**The Hon. PENNY SHARPE:** I think you'll find that's the case. New South Wales accepts the science of climate change. We went to the last election on the basis that we were going to work through that, so we're doing all of that. New South Wales also has the history of the fact that we've had very rich resources in terms of

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coal. That's a historical fact. We've built a lot of the economy and our energy generation off the access to that. That's changing over time. The fact that we export coal and it has been an important part of our economy, you're not going to get any disagreement from me about that.

My job, though, is that, as we move to a low-carbon economy worldwide, that will change over time. The trajectory of that is several decades. There's a lot of argument about whether that should be faster or not, but there's no inconsistency with the fact that New South Wales exports coal, as we always have, and we will continue to do so into the future. How far into the future is where the debate is, because a lot of that depends on action globally and the work that we're undertaking. Fundamentally, I don't walk away from the fact that the responsibility we have for future generations, given the science of climate change and the urgency with which we need to reduce emissions, is something that's a serious focus for this Government and for me as the Minister.

**The Hon. JOHN RUDDICK:** We'd agree on the science that there is only one atmosphere around this little planet. Your belief is that burning coal is dangerously warming it.

**The Hon. PENNY SHARPE:** It's not just my belief, Mr Ruddick.

**The Hon. JOHN RUDDICK:** But then we seem to be completely oblivious that into this single atmosphere, which we share with China, Japan and Taiwan, they are burning this coal to produce electricity. We sell it to them but we won't do it ourselves. It does seem a little incongruous. Would you agree with that?

**The Hon. PENNY SHARPE:** No. Particularly Japan, Korea and others have got very significant commitments around their emissions reductions. In fact, Korea has said that it is going to phase out all of their coal-fired power stations by 2040. I have recently met the new minister there. The overwhelming number of countries across the world are on a trajectory to net zero by 2050, because they see that as their responsibility to the planet and that we are all in it together. The reason why coal-fired power is coming out in New South Wales is a number of reasons. One is, yes, a commitment to reducing emissions, but that's not the driver. The driver is that our coal-fired power stations, which were built in the '80s and '90s, are very old. They're coming to end of life. The cost to replace them, not just in carbon emissions but in the actual cost to consumers and others, is significant. It also is highly unlikely that they'd be able to get financing to do them. That's why we're working on this process, as coal fired retires in New South Wales in the next 15 years, to replace it in the way that we are.

**The Hon. JOHN RUDDICK:** Minister, you have just said that even more important than fighting evil carbon dioxide emissions is that our old coal-fired power electricity stations are wearing down.

**The Hon. PENNY SHARPE:** They are.

**The Hon. JOHN RUDDICK:** All around the world, coal-fired power stations are renovated, upgraded and rebuilt. Why is it not happening in New South Wales? Because Parliaments have made them uneconomical. If the Government hadn't intervened in the energy market, the owners of those coal-fired power stations would've upgraded them. Do you agree with that?

**The Hon. PENNY SHARPE:** No, I don't agree with that.

**The Hon. JOHN RUDDICK:** You have just said that more important than emissions is that the coal-fired power stations are wearing down.

**The Hon. PENNY SHARPE:** The biggest threat we have to energy reliability and energy prices in New South Wales is the fact that our coal-fired power stations break down a lot—

**The Hon. JOHN RUDDICK:** They could be repaired—

**The Hon. PENNY SHARPE:** —and they're coming to end of life.

**The Hon. JOHN RUDDICK:** —but there's no incentive to repair them.

**The Hon. PENNY SHARPE:** There are a couple of ways in which we could do that. Let's also remember that we work in a privatised arrangement, which you would like. The previous Government sold off all of our coal-fired power stations and they're now in private hands.

**The Hon. JOHN RUDDICK:** They're heavily regulated.

**The Hon. PENNY SHARPE:** It's a matter for the private investors, which I thought you would be supportive of. They're the people who are closing down—

**The Hon. JOHN RUDDICK:** I'm not in favour of crony capitalism. It is an extremely regulated industry, so they're basically government departments.

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**The Hon. PENNY SHARPE:** It's their choice to close them down, Mr Ruddick. That's what they're doing. It's my job to keep the lights on and prices as low as we possibly can—that's what I'm doing.

**The Hon. JOHN RUDDICK:** Matt Kean announced, when he was the environment Minister in 2020, that by 2033 we will have completed the renewable rollout. We are now in 2026. We're halfway there. I get the impression that timelines keep getting extended and costs keep getting overblown. Could you tell us, since we're halfway through this glorious project, how much money has been invested by New South Wales taxpayers into the renewable rollout and how much has been invested by the private sector?

**The Hon. PENNY SHARPE:** I would have to take the detail of that on notice, but I am happy to provide it. There is no secret here. The road map used to be bipartisan, and there are a few people pulling off that—I'm not quite sure where the National Party are with this now. The point here is that we are moving through all of that. It is a privatised arrangement. New South Wales relies heavily on private investment when it comes to the energy road map. That's the way it was designed. It was actually designed without very much public money going into it at all. One of the things that I have done since being the Minister is to actually implement the road map. We inherited the road map as a design and we have had to work through it in terms of the implementation, as everyone has. We are working through that. I think Matt Kean said that Central-West Orana would be shovel-ready by 2022. It is now being built, but we have managed to get it actually approved.

**The Hon. JOHN RUDDICK:** It's just endless delays.

**The Hon. PENNY SHARPE:** The point I would make is that, yes, I can get those numbers.

**The Hon. JOHN RUDDICK:** I'm looking forward to that.

**The Hon. PENNY SHARPE:** But the vast majority of the investment relies on private investment, something that you should be happy about. As you would rightly acknowledge, there is a range of supports that happens in terms of financing. We are also doing the supplementary work—things like building the roads infrastructure that needs to occur and all of those things.

**The Hon. JOHN RUDDICK:** There's a lot to get done.

**The Hon. PENNY SHARPE:** I can get you some of those figures. I am happy to do so.

**The Hon. JOHN RUDDICK:** These things are harder to do in the real world than they are to draw on paper.

**The Hon. PENNY SHARPE:** Absolutely. Thank you for acknowledging that.

**The Hon. JOHN RUDDICK:** You have twice just said that the rollout is heavily reliant on private investment.

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

**The Hon. JOHN RUDDICK:** There was a press release last June from the conservation council, which is partly funded by the Government, and it is bemoaning the delay in the magnificent renewable rollout. It says, "Reasons for projects languishing"—that's what it says, "languishing"—"include the investment environment." That tells me that the private sector, like it is all around the world, is losing interest in investing in these projects.

**The Hon. PENNY SHARPE:** No. I would say that—

**The Hon. JOHN RUDDICK:** The conservation council says that top of the list is the investment environment.

**The Hon. PENNY SHARPE:** I wouldn't seek to read the mind of the NCC.

**The Hon. JOHN RUDDICK:** I get the feeling that you do not have too many private investors saying, "How can I throw more money into this bottomless pit?"

**The Hon. PENNY SHARPE:** No, we have a lot of interest in relation to this.

**The Hon. JOHN RUDDICK:** The conservation council doesn't.

**The Hon. PENNY SHARPE:** I can't speak for the conservation council.

**The Hon. JOHN RUDDICK:** You help fund them.

**The Hon. Dr SARAH KAINE:** Point of order: I think we have allowed Mr Ruddick quite a lot of latitude with regards—

**The Hon. JOHN RUDDICK:** I think we are having a valuable conversation.

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**The Hon. Dr SARAH KAINE:** I am still taking my point of order, Mr Ruddick, if you don't mind. Minister Sharpe should be allowed to answer her questions before the next question. Obviously, there are lots of interesting questions that Mr Ruddick wants to ask, but it would be good if we could let the Minister answer.

**The Hon. PENNY SHARPE:** To take you through this, because this is really important, "In 2023-24 renewable energy now makes up around 36 per cent of our generation." This is coming from a State that used to be 80 per cent coal fired—

**The Hon. JOHN RUDDICK:** Yes, and prices have tripled.

**The Hon. PENNY SHARPE:** No, that's not true. "We also now have 40 large-scale solar farms, 18 wind farms, nine storage systems, a further 52 solar farms, 16 wind farms and 70 storage projects that are under construction or with planning approval." That tells me, Mr Ruddick, that there is plenty of interest and there is a lot of investment coming into this State. I think we estimate overall—and someone will tell me if I get this wrong—that the road map will actually lead to around \$70 billion worth of private investment in New South Wales.

**The Hon. JOHN RUDDICK:** I'm looking forward to what the Hon. Wes Fang is going to ask you.

**The Hon. WES FANG:** Welcome, Minister. Before I start with my questions, I note that, in answer to a question by the Hon. Jacqui Munro about the price increases that are modelled by your department in relation to the introduction of data centres, you didn't disagree and suggest that the prices were going to decrease. We keep hearing that renewable energy is the cheapest form of power. Why aren't people's power bills going to decrease when you've clearly got modelling that says it's going to increase?

**The Hon. PENNY SHARPE:** I think that you have drawn a lot of inferences from the conversation that the Hon. Jacqui Munro and I were having. The point that I made is, as we look at the impact of increased demand, without increased supply, that puts pressure on prices. Part of the entire work that we're doing is about increasing the amount of energy overall and how that's going to be done. That's accelerated through the road map.

**The Hon. WES FANG:** In that case, Minister, can we expect lower prices?

**The Hon. PENNY SHARPE:** In relation to data centres or in relation to energy?

**The Hon. WES FANG:** In relation to residential power bills.

**The Hon. PENNY SHARPE:** As you would be aware, the bills are made up of a range of different things. The good news is that wholesale prices, after the energy crisis that hit in terms of Russia and Ukraine, have come down significantly, which is really good. The other part of it—and I make no apologies for this—is that we are also rebuilding an energy grid. The costs of that are part of that.

**The Hon. WES FANG:** I accept that, Minister.

**The Hon. PENNY SHARPE:** That's why the work that we do and the work that I talk about, which is not what the previous Government said in terms of how much money people were going to save—

**The Hon. WES FANG:** Minister, that's not really an answer to my question.

**The Hon. PENNY SHARPE:** Can you let me finish? You are asking about pricing.

**The Hon. WES FANG:** You are now trying to pad out your answers.

**The Hon. PETER PRIMROSE:** Point of order: Procedural fairness resolution—

**The Hon. WES FANG:** You are trying to pad out your answers.

**The Hon. PENNY SHARPE:** I am trying to answer your question.

**The Hon. PETER PRIMROSE:** The Minister is entitled to courtesy, which should allow her to answer the question in any way she wishes.

**The CHAIR:** It is a good point of order. I know that we are excited, but let's let the Minister—

**The Hon. WES FANG:** To the point of order: The question was whether we will see residential prices decrease. The Minister wants to start talking about the rollout of the road map. I am asking what the modelling shows. Given that they are not giving us the modelling, I don't require a long and detailed answer when they are not going to show us the modelling. I just need to know whether they are going to go up or down.

**The CHAIR:** I have heard enough, and I do hear what you are saying. The Minister is entitled to answer the question in the best way. She has been incredibly efficient at answering our questions. Let's keep going and get some good answers.

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**The Hon. WES FANG:** Minister, in the last budget estimates appearance on 29 August 2025, you said:

... the reason why the most recent ESOO, which is the energy security—

which is actually reliability—

outlook from AEMO, shows that the gap is better up until 2028-29 because of the amount of renewables that are going in at the same time.

I will table all these documents now. The article published in *The Australian* today obviously demonstrates that the AEMO modelling in the ESOO is wrong.

**The Hon. PENNY SHARPE:** That is incorrect.

**The Hon. WES FANG:** Is it? Tell me how.

**The Hon. PENNY SHARPE:** If you are you going to let me answer the question, I will tell you how. The inferences that you have drawn in relation to that report, which I have seen, are about two different sorts of modelling. If you understand the role of AEMO, it has an incredibly important job to operate the market. They basically operate the grid. They are running, literally, hundreds of models all of the time. The information that you have provided in terms of the reliability forecast are from two different documents. One is the Medium Term Projected Assessment of System Adequacy, the MT PASA. I'm glad that you found it. This is something that is a weekly publication. It is basically the ongoing running and modelling of what is happening in the system.

It basically changes all of the time depending on what outages are there, what maintenance is there, what projects are underway. It's a constantly changing modelling system. The good news is that it's transparent. You have been able to find it online—well done. It basically does a two-year outlook of generation reserves. The ESOO is actually a very different document that takes into account everything that is in the system, everything that has been approved, everything that is being built, it looks at delays, it works with all of the operators, and it gives us the guide for energy security. They are two different reports. They're different because they actually serve different purposes. The allegations that you are making that somehow there has been a mislead, I think, is more about a misunderstanding from you in relation to these reports and their role.

**The Hon. WES FANG:** Let's assume you are right, Minister.

**The Hon. PENNY SHARPE:** I think you should assume that I'm right.

**The Hon. WES FANG:** The MT PASA, if you are correct, would be a one-off aberration. Do you know if the MT PASA modelling showed a consistent degradation in the system and a lack of energy or was it only a minor dip?

**The Hon. PENNY SHARPE:** I don't know. The MT PASA, as I said, is something that has a two-year outlook but is done every fortnight, I believe, or weekly. It changes over a period of time. I would assume—and this is total speculation from me—that it changes depending on if there is a project that hasn't been approved. It would have changed, for example, given that Eraring at a point in time was going to close in 2027 versus the fact that it is now closing in 2029. It will have changed over time. I don't know but I suspect that it follows those curves.

The important thing, though, is that ESOO is the annual publication. It looks 10 years ahead in terms of the potential for unserved energy. We often talk about the gap. You and I have talked about this a lot. It's designed to inform the investment decisions of how we plug the gap. In fact, all of the work that I do with the road map, when I actually direct new tenders about whether we do extra firming tenders, whether we do extra generation tenders—all actually is derived from the work. ESOO guides that significantly.

**The Hon. WES FANG:** I understand it does and that is the answer you gave me at last budget estimates.

**The Hon. PENNY SHARPE:** Because it's true.

**The Hon. WES FANG:** But you must surely be concerned, though, Minister, that one part of the modelling says that there is sufficient power in the grid to run the systems, but the MT PASA is showing a continued degradation in system security—and I'm not talking about one or two weeks. I know that the AEMO answers—

**The Hon. PENNY SHARPE:** Are you talking about system security in terms of the need for coal-fired power—for example, our long conversation we had about synchronous condensers?

**The Hon. WES FANG:** I'm going to get to synchronous condensers in a little bit.

**The Hon. PENNY SHARPE:** When you say "system security", what do you mean?

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**The Hon. WES FANG:** I mean the ability for the system to be able to have enough significant power but also the frequency—

**The Hon. PENNY SHARPE:** So reliability versus system strength?

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

**The Hon. PENNY SHARPE:** They're two different things.

**The Hon. WES FANG:** I do know that, Minister, and it seemed you didn't when you were providing an answer to me last time, so I'm glad you are now aware. But both issues were showing up in the MT PASA, and they've been showing up since Eraring was due to close and it was continuous until Eraring continued to be open. In those circumstances, do you now agree that your statement that New South Wales had enough renewable energy in the grid and that the ESOO was fine is perhaps incorrect?

**The Hon. PENNY SHARPE:** No, I don't agree with that.

**The Hon. WES FANG:** So you could turn off Eraring tomorrow and still be assured that you would have system security and reliability?

**The Hon. PENNY SHARPE:** Of course not. That's a ridiculous statement.

**The Hon. WES FANG:** That was certainly the argument that you were making in the last budget estimates—that there were enough renewables in the system projected through the ESOO that we could turn off Eraring in 2027.

**The Hon. PENNY SHARPE:** In terms of the way in which we are planning to replace coal-fired power and rebuild the energy grid, the ESOO is the guiding document. The MT PASA is something—and can I just say AEMO do an incredible job. I am very pleased that they are running models every single day and reporting on the changes in the National Energy Market as they manage a very complicated system that is becoming more complicated. That's actually their job. I just do not accept what you are trying to say here, which is that we were not aware of the impact of Eraring, that we weren't following the guidelines and the need for energy to be replaced. The report said that that's what was going to cover it.

The MT PASA is a point in time that is regularly done that informs a whole range of different decision-making. The ESOO is the guide in relation to the structure. These things exist but you're applying the use of the MT PASA incorrectly and you're using it as—trying to make it some sort of gotcha moment, which I just absolutely reject. The job that we have—and can I just say reliability in New South Wales has been very good. We've just had the hottest summer on record, and we did not have one lack of reserve event because of so much solar renewables in the system and the batteries that are coming in. That shows a system that is transforming. It shows a system that is secure. It shows a system that has the right amount of system strength, and it shows that it is able to deal with it.

**The Hon. WES FANG:** It also shows a system reliant on coal, Minister.

**The Hon. PENNY SHARPE:** No, it doesn't, actually.

**The Hon. WES FANG:** In terms of the MT PASA, who in your department monitors the MT PASA modelling?

**The Hon. PENNY SHARPE:** I've got really smart people but I have no idea who it is. I'm sure you can ask them this afternoon.

**The Hon. WES FANG:** Is somebody responsible for monitoring the MT PASA modelling?

**The Hon. PENNY SHARPE:** I have a brilliant team in Energy in New South Wales—some of the best public servants in the world in relation to energy and managing the transformation that New South Wales is undertaking. They look every single day—

**The Hon. WES FANG:** So I can assume that somebody was looking at the MT PASA modelling?

**The Hon. PENNY SHARPE:** You'd need to ask them. I don't actually ask them every day because, you know what, I actually rely on their advice—and it's very good advice—around how we're rolling out the road map, how we're keeping the lights on, how we're keeping pressure on prices down and how we're dealing with the implementation.

**The Hon. WES FANG:** How's that going—the pressure on pricing?

**The Hon. PENNY SHARPE:** If you look at the wholesale price in the last quarter, it's half what it was last year. That's because of the amount of renewables that are in the system.

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**The Hon. WES FANG:** In that case, why are people paying 20 per cent more this year? If the wholesale price has halved, why are people paying 20 per cent more on their energy bills?

**The Hon. JOHN RUDDICK:** No answer.

**The Hon. WES FANG:** No answer.

**The Hon. PENNY SHARPE:** I'm actually reading a note. Again, I love the performative aspect—

**The Hon. WES FANG:** Then I'll let you answer, Minister. If the wholesale price has fallen 50 per cent in the last 12 months, why are people paying 20 per cent more this year than they were last year?

**The Hon. PENNY SHARPE:** Because the way in which we are rebuilding the system means that there are network costs that are added to the system.

**The Hon. WES FANG:** Excellent. That is the answer that I wanted.

**The Hon. JOHN RUDDICK:** We weren't told this at the beginning.

**The Hon. PENNY SHARPE:** Can we just talk—

**The Hon. WES FANG:** In terms of—

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

**The Hon. Dr SARAH KAINE:** Point of order—to whoever is meant to be chairing.

**The Hon. PETER PRIMROSE:** Who is chairing this meeting?

**The Hon. WES FANG:** The Deputy Chair.

**The Hon. JOHN RUDDICK:** I'm chairing.

**The Hon. PETER PRIMROSE:** Who's got the call?

**The Hon. JOHN RUDDICK:** Wes Fang has the call.

**The Hon. WES FANG:** Minister—

**The Hon. PENNY SHARPE:** Never let Wes chair a meeting. Go on.

**The Hon. WES FANG:** I'm going to let that one go for the moment. Minister, you'll see in the three documents that I tabled, there's a second article—

**The Hon. PENNY SHARPE:** Have you numbered them? You have. Great. Which ones are we looking at?

**The Hon. WES FANG:** There's a number 2 in the top right-hand corner. That is from the Transgrid website, which indicates that, under your direction, they've ordered—

**The Hon. PENNY SHARPE:** The privatised entity that your Government privatised.

**The Hon. WES FANG:** Minister—

**The Hon. PENNY SHARPE:** Just saying.

**The Hon. WES FANG:** You can't interject and then complain when I interject. It's a two-way street if you want to do that. Minister, that article indicates that, instead of the purchase of five synchronous condensers, they've ordered 10. What was the price of the original five units that they were prepared to order?

**The Hon. PENNY SHARPE:** I'd have to take that on notice. I think it's around \$700 million but I'd need to check.

**The Hon. WES FANG:** In that instance, how much are the 10 smaller synchronous condensers that they've ordered instead?

**The Hon. PENNY SHARPE:** You'd have to ask Transgrid. They're a private company. They're their synchronous condensers.

**The Hon. WES FANG:** But, Minister, you issued the direction for the synchronous condensers. Surely—

**The Hon. PENNY SHARPE:** Can I explain to you how the directions work?

**The Hon. WES FANG:** I'm asking you—you will understand why I'm asking these questions.

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**The Hon. PENNY SHARPE:** Maybe.

**The Hon. WES FANG:** Did they ask you for permission to change from five synchronous condensers to 10?

**The Hon. PENNY SHARPE:** I made a direction for five. The other 10 is a matter for Transgrid.

**The Hon. WES FANG:** Is it?

**The Hon. PENNY SHARPE:** Sorry, you're asking me questions about a company that I don't own, nor am I on the board.

**The Hon. WES FANG:** You made a direction for five synchronous condensers and they ordered 10.

**The Hon. PENNY SHARPE:** Yes, so—

**The Hon. WES FANG:** What you'll see—

**The Hon. PENNY SHARPE:** If you let me answer the question—

**The Hon. WES FANG:** I'm going to lead you now—

**The Hon. PENNY SHARPE:** Alright. You give me all the information and I'll try to answer it because what you're saying makes no sense.

**The Hon. WES FANG:** I'm going to lead you now to the third document.

**The Hon. PENNY SHARPE:** Good—oh, a *Government Gazette*.

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

**The Hon. PENNY SHARPE:** Great. Which bit?

**The Hon. WES FANG:** You will see in the *Government Gazette*, Minister—

**The Hon. PENNY SHARPE:** Yes, 12 December—I signed it.

**The Hon. WES FANG:** Yes, you did. You'll note that, in part of the direction, you talk about—and I'll make sure I've got the right page here.

**The Hon. PENNY SHARPE:** Which bit?

**The Hon. WES FANG:** I believe it is the fifth page—maybe the seventh page. It is in the document in any case. It specifies for the synchronous condensers—

**The Hon. PENNY SHARPE:** Whereabouts is it?

**The Hon. WES FANG:** I'm just getting to that part.

**The Hon. PENNY SHARPE:** Post-it tabs are helpful.

**The Hon. WES FANG:** Here we go. Page 3, halfway down—synchronous condenser package. It notes—

**The Hon. PENNY SHARPE:** Sorry, where were you looking?

**The Hon. WES FANG:** Page 3, middle way down—synchronous condenser package. It says:

Each individual Synchronous Condenser that forms part of the Synchronous Condenser Package must provide at least 1500 MWs of inertia ...

In terms of Transgrid ordering 10 smaller units, are you assured that those 10 smaller units have the 1,500 megawatts of inertia that you've specified in the direction? Or did they just order them without seeking a variation?

**The Hon. PENNY SHARPE:** That's not quite how this works.

**The Hon. WES FANG:** That's the direction, Minister. That's exactly what it says in the direction that you made.

**The Hon. PENNY SHARPE:** I'm aware; it was my direction. Anything in addition to the five is a matter for Transgrid and they're working through it. It was always known that they need extra ones.

**The Hon. WES FANG:** Do the 10 that have been ordered meet the requirements of 1,500 megawatts of inertia per unit?

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**The Hon. PENNY SHARPE:** My understanding of the way that it works with the 10 units is that they basically provide more flexibility on the site. So they will meet the inertia requirements that are there, but they're being delivered in a slightly different way.

**The Hon. WES FANG:** Yes, Minister, but your direction was quite clear that each unit had to have 1,500 megawatts of inertia.

**The Hon. PENNY SHARPE:** Yes, and what I'm saying is that the advice that I have—

**The Hon. WES FANG:** Did they seek a variation to order two smaller units to replace it?

**The Hon. PENNY SHARPE:** I'd have to take that on notice.

**The Hon. WES FANG:** You can't tell me how much it costs for the 10. You can't say if they've asked for a variation or not. You have got to pass her a bigger note, Mr Lean.

**The Hon. PENNY SHARPE:** Do you want information or not?

**The Hon. WES FANG:** Yes, I do. Not just me—it's most people.

**The Hon. PENNY SHARPE:** That's okay. I'm just going to take that on notice. I'll come back to you with the answers that you require when you are not interrupting the entire time and you actually explain it.

**The Hon. WES FANG:** That's the pot calling the kettle black.

**The Hon. PENNY SHARPE:** What I will say to you is that we are doing what is required to build a new energy grid and we're working closely with people like Transgrid and we're thinking ahead in relation to synchronous condensers, but I will come back to you.

**The Hon. WES FANG:** In terms of the synchronous condensers, Minister, you will note on your—

**The Hon. PENNY SHARPE:** Which page?

**The Hon. WES FANG:** Page 6. I do know this one.

**The Hon. PENNY SHARPE:** Well done.

**The Hon. WES FANG:** Page 6's schedule indicates the testing and commissioning was required to be done by September 2028. What was the original date that Eraring was due to close, before the extension?

**The Hon. PENNY SHARPE:** 2027.

**The Hon. WES FANG:** So there was a gap of more than a year between when the synchronous condensers were due to arrive and Eraring was due to close. When I asked you whether Eraring needed to stay open and whether synchronous condensers would arrive before they closed, you indicated that it wasn't a problem, that you were sorting it, yet now we know that you had no chance of getting those synchronous condensers in time.

**The Hon. PENNY SHARPE:** No. There are other forms of system strength in the system. It's not just about the synchronous condensers—

**The Hon. WES FANG:** What was that? How were we going to do it without Eraring?

**The Hon. PENNY SHARPE:** There is a bunch of advice in relation to this. Again, you make all of this—

**The Hon. WES FANG:** What is the advice, Minister? The MT PASA clearly shows that there was an absolute lack of system strength and reliability—

**The Hon. PENNY SHARPE:** The MT PASA is a separate thing that actually doesn't impact on the decisions that are made about synchronous condensers. You can keep raising an irrelevant report in relation to this decision-making. You can do that, and we will just have to agree to disagree. If you want more detail, I will get that for you and update you later.

**The Hon. WES FANG:** Thank you. Minister, why did you threaten the Walcha Council?

**The Hon. PENNY SHARPE:** I have never threatened the Walcha Council.

**The Hon. WES FANG:** It was clearly reported on *Ben Fordham* yesterday that you threatened Walcha Council.

**The Hon. PENNY SHARPE:** I am glad that you saw the memo.

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**The Hon. JOHN RUDDICK:** They had a quote from you.

**The Hon. PENNY SHARPE:** Okay. I met with Walcha Council, as I met with the general manager and the mayor and deputy mayor late last year. I want to thank them for their time. We had an ongoing conversation about the New England Renewable Energy Zone. As you know, there is quite a lot of pressures there, particularly in the Walcha area, and there's a lot of community feedback about that. We had a conversation. The first thing I want you to know is that there is money that's going directly to Walcha Council for the next three years to support them to deal with the projects, the increased workload the renewable energy zone does. They get \$250,000 a year each year for the next three. The conversation that we had was that, if the New England REZ did not go ahead, the community benefit funding that would be going into the community, which is worth hundreds of millions of dollars, of course, would not go ahead. I think if you talk to the mayor and to the general manager—I know it was his memo or whatever—I think you would find they do not agree with the councillor, who was not at the meeting, interpretation of what I said to them.

**The Hon. WES FANG:** When can the questions that were asked by the residents you met with in Walcha on that day—I think it was 18 December last year. When can they expect those answers? Your office promised them that they would have them by the end of January. They offered to let you answer them in the middle of February, because they realised that it was a rush. We are now almost at the end of February, and they still haven't received responses.

**The Hon. PENNY SHARPE:** There's a bunch of responses that are being worked through. I know that there are some members who have imposed deadlines in relation to this, but the commitment that I have made to those farmers and—

**The Hon. WES FANG:** They didn't impose deadlines, Minister. They extended the deadline that your office originally offered.

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

**The Hon. WES FANG:** Yes, they did. I have got the email. I can table it if you like.

**The Hon. PENNY SHARPE:** Sure. Are you going to table it?

**Dr AMANDA COHN:** Point of order: The bell's gone, and we're actually in crossbench time. I understand the Minister can keep talking after the bell, but this was a series of extra questions.

**The Hon. PENNY SHARPE:** That's fine. I'm happy to—if you want to show me something, show it to me.

**The Hon. JOHN RUDDICK:** We have frozen the clock. If we can move quickly, then we'll move to Dr Amanda Cohn.

**The Hon. PENNY SHARPE:** If you show me the email, then I'll answer it.

**The Hon. WES FANG:** I'll get you a copy after the break.

**Dr AMANDA COHN:** Good morning, Minister.

**The Hon. PENNY SHARPE:** Hello.

**Dr AMANDA COHN:** The Australian Microplastic Assessment Program has found that synthetic turf fragments are common and increasing in Sydney's waterways. For example, there was a tenfold increase in synthetic grass debris found at Rose Bay, in Sydney Harbour. Installations of synthetic turf fields are increasing. Are you satisfied that they are appropriately regulated, given this level of pollution?

**The Hon. PENNY SHARPE:** Thanks for the question. I know you've been interested in this for quite a long time. I have also talked to lots of community members in relation to this. It doesn't sit with me, the policy directions around the way in which turf is put in place. I think that there are some changes that are happening in relation to turf, but I wouldn't—again, it's not something that I am across in a detailed way. I think we need to, obviously, minimise where there is microplastics going into the water. We have got a whole range of actions that we are undertaking in relation to it. On synthetic turf, though, it is really a matter for Minister Scully.

**Dr AMANDA COHN:** I will ask Minister Scully about it again.

**The Hon. PENNY SHARPE:** I am sure you will.

**Dr AMANDA COHN:** But I am hoping you will be across it as well, specifically because of the pollution risks.

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**The Hon. PENNY SHARPE:** I am across all of that, but I don't have any decision-making in relation to it.

**Dr AMANDA COHN:** I have got a few questions about plastics. Noting that there are some really good actions proposed by the Plastics Plan 2.0, my questions aren't about that good work that you've already committed to. I have got a couple of questions about things that aren't in the Plastics Plan. Specifically, the *Securing Australia's Plastic Recycling Future* report by the Australian Council of Recycling found that State governments can lead in prioritising Australian recycled plastic content in procurement, if that's something that you will consider.

**The Hon. PENNY SHARPE:** We're looking at all of that. As you know, there is a waste crisis. We need to avoid, and we need to re-use, and we need to recycle as much as we possibly can. We are looking at a range of matters in terms of recycled content and what levers we can have. Obviously, the potential for mandates within procurement and those kind of things is something that we are interested in. It is not something that is Government policy now. The waste issues really are a concern. The good news is that we have a lot of ways to deal with it, and we need to look at the levers in government for how we can deal with a lot of those matters. Yes, it's something that we're looking at—that's the short answer.

**Dr AMANDA COHN:** It's good to hear it's something that you're open to considering. Is there a time frame around that work?

**The Hon. PENNY SHARPE:** I suppose it is really ongoing. Our focus and our priority is very much the Plastics Plan. There'll be legislation that needs to come to the Parliament, and we will be working through that. There is a bandwidth issue about how many things you can deal with it once, although the EPA are doing amazing things when it comes to plastics and all of that work. But it's an ongoing thing, and there are some levers we can look at. I also, obviously, talk to Minister Houssos more broadly about procurement issues, and I have perhaps said to some of my colleagues we need to do more in the recycling space, but I don't want to over-egg it. It's an ongoing discussion.

**Dr AMANDA COHN:** I'm sure you can appreciate, given the community distress where incinerators are proposed, that there's really an expectation from those communities that you're doing every single thing within your power to reduce waste at its source.

**The Hon. PENNY SHARPE:** Yes, we are. There's a whole lot of work that actually sits with the Commonwealth in terms of reduction and packaging and that sort of work, and it is one of the things—I'm a bit annoying, I think, at Environment Ministers' Meetings, about what we can do to take more on in relation to that.

**Dr AMANDA COHN:** You have got a good legislative framework here in the Product Lifecycle Responsibility Act, which we enthusiastically supported.

**The Hon. PENNY SHARPE:** Grateful for the support.

**Dr AMANDA COHN:** You've applied that to batteries, which are obviously an urgent safety risk. Is there any work underway to expand that?

**The Hon. PENNY SHARPE:** Again, it is a bit of a bandwidth issue. The one thing that I am pursuing very strongly is solar panel recycling. As we know, we are going to have millions of panels that are coming off. Literally, the amount of critical minerals that are in those is just something you couldn't waste even before you get to things going into landfill. So that is the next priority that we've been pursuing. The department's doing some work about the regulatory impacts of that. I'm talking to my Federal and State colleagues around how we could do that. I welcome the fact that the Federal Government's funding some pilots in terms of solar recycling, but for me it is a no-brainer here. That is probably the next one. But if people have got suggestions about other things they want to put in the product stewardship basket, the door is always open and suggestions are always welcome.

**Dr AMANDA COHN:** One more from me before I go to my colleague, coming back to the microplastic assessment report. I mentioned synthetic turf. They found large volumes of foams that are likely originating from construction sites. Is that also on your list?

**The Hon. PENNY SHARPE:** Dealing with foams is a big challenge. One of the good things that we've done is basically double the penalties for anyone who's not managing their construction site, which I think is important. It hadn't been changed for years and years. One of the pieces of legislation that we passed doubled that and there's sort of ongoing education work. But we are looking at foams. I don't know whether Mr Chappel wants to talk about—

**TONY CHAPPEL:** Yes, I can get some more information.

**Dr AMANDA COHN:** Happy to come back this afternoon.

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**The Hon. PENNY SHARPE:** Yes, talk to Tony about it. I know the EPA are doing work on it but I couldn't tell you the detail.

**Ms CATE FAEHRMANN:** Good morning, Minister. I understand there will be a formal response from you on the spotlight on coal report from the Net Zero Commission. Is that still on track for June, I think?

**The Hon. PENNY SHARPE:** Yes, I believe so.

**Ms CATE FAEHRMANN:** That's about four months away but in the meantime there are multiple coalmine determinations that are likely before then. This includes Dartbrook MOD8, Ulan MOD6, Metropolitan MOD4 as well as a decision on Chain Valley. That one's by the IPC. What guidance have you provided to Minister Scully on this, in relation to the Net Zero Commission's landmark report and their clear warning about the continued approval of coalmines on the State's net zero goals?

**The Hon. PENNY SHARPE:** Probably the thing I'd point to in the first instance is obviously the information that we provided to the IPC and to Planning in relation to the legislated targets and the impact of that. That obviously sits now within that system. The questions that you're asking really are a matter for Minister Scully and the planning system.

**Ms CATE FAEHRMANN:** I know.

**The Hon. PENNY SHARPE:** What I would say, though, is that—and Ms Higginson was asking me about this earlier—government is working to think about how we meet our legislated emissions targets, and we continue to do that. But the questions you're asking I think really are for Mr Scully.

**Ms CATE FAEHRMANN:** It's essentially what influence you have, because the Net Zero Commission clearly is talking about and saying that continued approval of coalmines is going to see the State's net zero—

**The Hon. PENNY SHARPE:** And that's exactly the role of the Net Zero Commission.

**Ms CATE FAEHRMANN:** Since you wrote to the Minister about those legislated targets, I think there's been another seven coal expansions approved. It's almost as though the Government isn't really taking the net zero targets into consideration, because overall the planning Minister wins out, doesn't he, and coalmines just get approved?

**The Hon. PENNY SHARPE:** I think they're your words.

**Ms CATE FAEHRMANN:** That's the reality.

**The Hon. PENNY SHARPE:** They're your words, not mine. The other thing that I would point to is the ongoing work the EPA is doing in relation to guidelines on coalmines and the ability for them to deal with scope 1 and scope 2, which is a significant piece of work. Those guidelines are being finalised in the not too distant future, and I think that's really important work. I know you've got a different view about the planning system and how that operates, but I think it's wrong to suggest that we haven't taken action or pointed to the matter.

**Ms CATE FAEHRMANN:** Recently just this week Clarence Colliery was fined \$852,000. This was for heavily polluting that beautiful river flowing into Blue Mountains World Heritage area.

**The Hon. PENNY SHARPE:** Coxs? Is that the Coxs?

**Ms CATE FAEHRMANN:** The Wollangambe. This is not the first time.

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

**Ms CATE FAEHRMANN:** In fact, they've been fined quite a bit in the past. Clarence Colliery, parent company Centennial Coal, is, after a five-year extension, now to continue operating. Their licence is supposed to expire at the end of 2026. They're wanting to go until 2031, but they've shown that they cannot operate without polluting our beautiful wilderness. Will you be recommending to the planning Minister not to allow them to continue operating beyond 2026?

**The Hon. PENNY SHARPE:** There's a few things within that. The first is that people need to work within their licences, and, if not, they're in breach.

**Ms CATE FAEHRMANN:** They're not.

**The Hon. PENNY SHARPE:** The EPA is doing their job, which is what they should do, and they'll continue to do that, as they should and as they must, because that's actually what their role is. In relation to the planning arrangement through the planning system that goes there, it's not my role to directly say, "No, it shouldn't go ahead", but obviously my agencies have input into all of that.

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**Ms CATE FAEHRMANN:** But you'd give advice potentially to that effect, though? That unless all these conditions are met—

**The Hon. PENNY SHARPE:** There's an independent planning—there are some challenges in relation to this. People come and say, "You should say this and you should do this." We need to be careful about the way in which planning proposals are assessed and the way in which they're dealt with, with probity. There is a proper process that the EPA has input into and that my department has input into, which raises all of the issues through that.

**Ms CATE FAEHRMANN:** Sure, it was just a political question in terms of whether—

**The Hon. PENNY SHARPE:** This is what I mean. It's actually very problematic if I'm just to say, "No, you should ban that." That would open us up to litigation and it's very problematic. We've got to support a robust system, which we'll continue to do.

**Ms CATE FAEHRMANN:** Just because my time was eaten into, just quickly in terms of funding for the Broken Hill lead situation—I understand that it's gone to the Premier's Department in terms of overall responsibility.

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

**Ms CATE FAEHRMANN:** But in terms of the EPA's funding, your commitment, what additional funding are you wanting to put in? Because there's a bit of a stall there. Are you going to do a funding pitch to the budget?

**The Hon. PENNY SHARPE:** Let's just say, the budget is underway. The budget will be announced.

**Ms CATE FAEHRMANN:** Are you lobbying for some money for the Broken Hill lead situation?

**The Hon. PENNY SHARPE:** We're in the budget process now and that's probably all I can say.

**The Hon. JOHN RUDDICK:** Minister, you said in the last session that New South Wales has just experienced its hottest summer on record. Do you stand by that?

**The Hon. PENNY SHARPE:** It might have been one of the hottest in the last three, but it's definitely one of the hottest.

**The Hon. JOHN RUDDICK:** Do you think it's a fair criticism that people do flippantly make this claim all the time and it shows a complete lack of curiosity in the true history of what has happened with temperature?

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

**The Hon. JOHN RUDDICK:** You're saying it was the hottest in the last three years?

**The Hon. PENNY SHARPE:** My understanding is that the last three years have shown that they've been the warmest on record, yes.

**The Hon. JOHN RUDDICK:** There are record snowfalls across the Northern Hemisphere. Anyway, back to the REZ.

**The Hon. PENNY SHARPE:** We could have a long conversation about the fact that it's colder and that there are more extreme weather events is actually an impact of climate change as well.

**The Hon. JOHN RUDDICK:** It's all a fairy tale.

**TONY CHAPPEL:** It's the average temperature.

**The Hon. JOHN RUDDICK:** What was that, sorry?

**TONY CHAPPEL:** I was just saying it's the average that's the highest. You can have snowfall or rainfall that—

**The Hon. JOHN RUDDICK:** We weren't told that climate change was going to give us extra snow. When we map out a REZ, the first step, as I understand, is we draw on a map a study corridor.

**The Hon. PENNY SHARPE:** Sorry, just to be clear, the REZs and the boundaries of the REZs were dealt with by the previous Government and mapped out there. You're talking about the proposed route of the transmission lines. Is that right?

**The Hon. JOHN RUDDICK:** Yes. Mr Lean might be able to help us if you're not certain, Minister, but how many times has a study corridor been substantially moved and at what cost?

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**The Hon. PENNY SHARPE:** When Central-West Orana started there was a proposed route, and there were—I mean, what people consider significant is subjective, but there were some changes around Cassilis and those kind of things. I know that for New England REZ in particular, which I assume is where you're getting to, there has been a substantial change to the proposed route.

**The Hon. JOHN RUDDICK:** Do we know the cost on that, or is that something that you should take on notice?

**The Hon. PENNY SHARPE:** Which bit?

**The Hon. JOHN RUDDICK:** The cost for substantially changing the route—entirely changing the route.

**The Hon. PENNY SHARPE:** It's not entirely changing the route. It has changed the route, there's no doubt about that, but that is part of the process. When I first became the Minister—in fact, in the first few months of becoming the Minister—the original proposed route for the New England REZ was put out. There was then over two years work of refining that route and testing a lot of the issues that were raised. A lot of locals raised a bunch of issues. As a result of that, the proposed route was changed and it was announced last year.

**The Hon. JOHN RUDDICK:** There are five REZs. The first two are Central-West and the second one is New England. Both it sounds like have had a fairly significant change.

**The Hon. PENNY SHARPE:** Yes. I would argue that's the system working as it should.

**The Hon. JOHN RUDDICK:** These things weren't forecast.

**The Hon. PENNY SHARPE:** I wish I had a crystal ball, Mr Ruddick.

**The Hon. JOHN RUDDICK:** With the original route for the New England REZ, we did, at taxpayer expense, compulsorily acquire some property.

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

**The Hon. JOHN RUDDICK:** Now they are outside of the proposed zone. What do we do with those compulsory properties?

**The Hon. PENNY SHARPE:** The actual details of that—and you will have Hannah McCaughey from EnergyCo here. I am aware that there are some landholders where there has been some discussion about whether they would go back. I'm not in a position to give you detail of that and probably need to be a little bit circumspect for privacy reasons. But that level of detail—I think you should ask EnergyCo this afternoon. They'd be able to provide it for you.

**The Hon. JOHN RUDDICK:** I'm guessing some of these properties are worth several million dollars. The State's acquired them; we now don't need them. So I'm assuming we'd be—

**The Hon. PENNY SHARPE:** My understanding is that some of them will be used for layover work for construction and those kinds of things. Some of them could potentially be for other uses. That level of detail I am just not aware of. I'm aware of some of the issues with them. EnergyCo are diligently working through that, and I'd encourage you to ask them this afternoon.

**The Hon. JOHN RUDDICK:** I'll do that. I do thank you for heading up to Walcha at least on one occasion. I've been up there as well.

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

**The Hon. JOHN RUDDICK:** Do you think it would be fair to say that there was universal, fierce opposition by the locals to this REZ?

**The Hon. PENNY SHARPE:** For the impacted landholders, I think there is very fierce resistance. I think more broadly within the community it's more nuanced than that.

**The Hon. JOHN RUDDICK:** I understand that two properties have been acquired, because there were two people up there in the new route who did not want to sell to EnergyCo, but they had to sell for health reasons or whatever. The only buyer in the market, of course, is now EnergyCo. Who is going to want to buy into that area at the moment? It has suppressed the entire area. There is, within this proposed corridor, the Timor Caves.

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

**The Hon. JOHN RUDDICK:** Are you familiar with that to some extent?

**The Hon. PENNY SHARPE:** Yes, I am.

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**The Hon. JOHN RUDDICK:** Good. As you know, they are 370-million-year-old caves. They're quite important. There is evidence that there are 12 documented bat species which call these caves their home.

**The Hon. PENNY SHARPE:** Bats like caves, yes.

**The Hon. JOHN RUDDICK:** One of those bats in an endangered species, the large-eared pied bat.

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

**The CHAIR:** Oh, they're so cute.

**The Hon. JOHN RUDDICK:** So cute, thank you.

**The Hon. PENNY SHARPE:** They're really little, but they've got really big ears. I'm familiar with them.

**The Hon. JOHN RUDDICK:** Now, your corridor is proposing to directly pass over these precious caves, with their precious bats in them. EnergyCo has done an environmental assessment of the caves. Are you familiar with that?

**The Hon. PENNY SHARPE:** I'm aware that they've done it. The detail of it, no, I'm not aware of.

**The Hon. JOHN RUDDICK:** I'd be grateful if you could look into it because I'm hearing that that environmental impact assessment—normally they overstate the impact. I understand that they've said that there's only one type of bat that lives in these caves. The locals are absolutely certain that there's 12, so this needs to be rectified.

**The Hon. PENNY SHARPE:** That's what the process actually does. As you're aware, currently the proposed corridor is three kilometres wide. It will eventually get down to being about 140 metres wide. There's a lot of work that's done there. This is exactly the process that it works through. It starts like this, and it goes through a whole lot of areas. The caves are captured by that. There's obviously an examination of whether you can move the route. I can't remember how many, but there was a significant number of changes to the route on Central-West Orana as a result of working with landholders, where the buildings are, where it crossed their property—all of that sort of work. That's exactly what's supposed to happen. The caves will form part of that. The environmental assessment, though, isn't done yet. There's the studies that are being done. They then have to go into the planning process, and that's where all of that is examined. It's not just about EnergyCo. Other parts of my department and other agencies have input as well. I would expect that all of that's dealt with appropriately.

**The Hon. JOHN RUDDICK:** Bats are quite sensitive creatures.

**The Hon. PENNY SHARPE:** Yes, they are.

**The Hon. JOHN RUDDICK:** They have quite complex sonar detection.

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

**The Hon. JOHN RUDDICK:** Even though the final route, if it does get to that—let's hope it doesn't, but if there is a final route—may not go directly over the Timor Caves, the vibration is an important issue for these creatures. It might be a kilometre away, but I think the environmental impact assessment needs to factor in that even though it may not be directly over the Timor Caves, the impact may be directly felt. Can you give us an assurance that we will be taking into account the special requirements of the bats?

**The Hon. PENNY SHARPE:** I'm very pleased that you're concerned about endangered bats. That's good.

**The Hon. JOHN RUDDICK:** I am.

**The Hon. PENNY SHARPE:** We need more people to be concerned about endangered animals. But the assessment takes into account all of those matters, and I'd expect them to be dealt with as they must. That's actually what the planning system does.

**The Hon. JOHN RUDDICK:** What steps are in place? I keep hearing anecdotally from farmers who are having wind farms in particular constructed that they are reporting dead birds, and they are reporting that birds are learning to stay away from certain areas. What processes have we got in place to monitor what impact the wind turbines are having on birds?

**The Hon. PENNY SHARPE:** I'd need to just check the detail of this, but I'm pretty confident on this—the impact of wind farms on birds is something that all wind farms are required to monitor two years after construction. It's part of the conditions of their consent. They are required to monitor and report on the impact of birds and bats, in fact. That work is ongoing. There's a lot of different information that's being provided. There is

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occasionally an impact, as there is an impact when you build a road and when you build any infrastructure. There are requirements to monitor that, and there are actually guidelines in relation to the way in which wind farms operate. Sometimes they actually have to be curtailed as a result of—some times of the year. That's a bit site specific, but there is actually a significant amount of consideration of the impact on birds and bats and other species with any of these projects.

**The Hon. JOHN RUDDICK:** Well, let's hope that's reflected in EnergyCo's environmental assessment of the Timor Caves. Minister, you said before that your view on the global warming-carbon dioxide issue is the scientific consensus, and I agree. Most people on both sides—

**The Hon. PENNY SHARPE:** I think it's about 98 per cent, Mr Ruddick.

**The Hon. JOHN RUDDICK:** But you'd also agree that over time history is littered with examples of a scientific consensus. After a bit more time and debate and more evidence coming in—

**The Hon. PENNY SHARPE:** Are you talking about flat earth?

**The Hon. JOHN RUDDICK:** Well, lots of things. The scientific consensus does move with time.

**The Hon. PENNY SHARPE:** Sure. That's science. That's actually science.

**The Hon. JOHN RUDDICK:** That is science, exactly. I agree. Nothing is ever final.

**The Hon. PENNY SHARPE:** That's why we love science. I'm a failed scientist, Mr Ruddick. I'm really into it. I get it.

**The Hon. MARK BUTTIGIEG:** The longevity of the Coalition, for example.

**The Hon. JOHN RUDDICK:** Let's say that the scientific consensus changed. Some people would say it already is changing. Let's say the scientific consensus does change on this subject and that carbon dioxide is not the temperature control switch of the planet. I am worried that we haven't left ourselves with an off-ramp in terms of our electricity supply. Is there any discussion in the Government about at least mothballing our coal-fired power stations so that if we did get to the point where we needed to rev them up again, we wouldn't be starting from scratch?

**The Hon. PENNY SHARPE:** The short answer is no. The longer answer is that these are private coal stations. They actually have to do decommissioning, and there's a lot of plans of a variety of companies to actually turn them into renewable hub sites. There's some fantastic batteries that are going on. The Liddell site is doing a whole lot of work. It's a matter for them, but the short answer is no.

**The Hon. WES FANG:** They can't shut them down, mate.

**The Hon. JOHN RUDDICK:** No turning back.

**The Hon. PENNY SHARPE:** Once they've shut down, you don't want to be starting up a 50-year-old coal-fired power station, Mr Ruddick.

**The Hon. WES FANG:** No, you want to refurb it, and then start it up.

**The Hon. JACQUI MUNRO:** Just going back to the IDA and your department's interaction, will you be making any advice or suggestions available to the IDA or Infrastructure NSW around cost-sharing agreements or ways that data centres can ensure that they don't push up prices with their increased use of energy?

**The Hon. PENNY SHARPE:** This is exactly what the work is that's being undertaken.

**The Hon. JACQUI MUNRO:** Is your department actually making recommendations to the IDA and Infrastructure NSW about—

**The Hon. PENNY SHARPE:** When you say "recommendations", do you mean formal advice?

**The Hon. JACQUI MUNRO:** —the mechanisms of which those prices might be kept down?

**The Hon. PENNY SHARPE:** All of the impacts of data centres are being examined through the creation of the work by INSW, and we'll continue to do that. Whether that's advice through meetings or documents, that's ongoing. I will flag with you, in terms of some of the detail of that, some of that is Cabinet deliberation.

**The Hon. JACQUI MUNRO:** But will you be making, as Minister, recommendations to your fellow Ministers about how energy prices might be able to be kept lower?

**The Hon. PENNY SHARPE:** You'd be surprised to know, Ms Munro, that I have many views on many things, and I share those with my colleagues through the Cabinet process.

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**The Hon. JACQUI MUNRO:** But do you take responsibility for making those recommendations and making advice?

**The Hon. PENNY SHARPE:** That's my job. Yes.

**The Hon. JACQUI MUNRO:** So you will be making recommendations about how data centres can—

**The Hon. PENNY SHARPE:** I share my views based on the advice that I provide my colleagues through the Cabinet process. That's my job.

**The CHAIR:** Minister, could you tell me where the koala strategy is at and whether we'll see a tabled document at some point?

**The Hon. PENNY SHARPE:** We're working through what the koala strategy looks like. In some ways, it's rolled into the broader nature strategy in the way in which that will be dealt with. I'm keen to align all of that work. We're bringing this all under the nature strategy, so we continue to work through that.

**The CHAIR:** Should I take that as—and I'm not critical of this approach—we're unlikely to see a separate koala strategy as we've seen in the past and that it will more likely be a single document?

**The Hon. PENNY SHARPE:** I don't think there's a final decision. Obviously koalas are extremely important. We have 1,009 threatened species.

**The CHAIR:** Yes, too many.

**The Hon. PENNY SHARPE:** Very much what we're trying to do with the nature strategy and the changes to the Biodiversity Conservation Act is actually to look at ecosystems rather than individual species. We're always going to need to do work on individual species, and obviously koalas are very iconic, but I'm very much trying to look at how we're actually protecting ecosystems in the broad, across different land tenures, and the way that that works versus just having one big strategy for one animal, even though we know that if you're looking after koalas, there's a whole lot that come underneath that. The Great Koala National Park is a great example of that; 50 per cent of threatened mammal species live within the Great Koala National Park boundaries. You and I get all of that. I suppose what I'm trying to say is that we're considering where the koala strategy sits within our broader strategy. What I would say to you is that it's not going to be the same as what it was before, in terms of being one big strategy with a whole lot of money just on that, but we're working through that. If you have views about that, I'd be happy to hear them.

**The CHAIR:** And your commitment is that that will be here this year?

**The Hon. PENNY SHARPE:** That's what we're working to, yes.

**The Hon. WES FANG:** Chair, I've tabled the email that the Minister was referring to.

**The CHAIR:** It is Government time.

**The Hon. MARK BUTTIGIEG:** I just wanted to check if the Minister has anything to clarify or add.

**The Hon. PENNY SHARPE:** Let me have a look.

**The Hon. WES FANG:** We'll use the time.

**The CHAIR:** We're not allowed. It's a resolution of the House.

**The Hon. WES FANG:** That's a shame.

**The Hon. PENNY SHARPE:** Some of this is just argumentative; I probably won't go there.

**The Hon. Dr SARAH KAINE:** Go on.

**The Hon. PENNY SHARPE:** No, it's alright. I'll come back at the end. I'll work out how argumentative I want to be after the next round.

**The Hon. WES FANG:** Why stop now?

**The CHAIR:** Because it's morning tea time, unless the Minister has anything.

**The Hon. PENNY SHARPE:** This is just an update on the syncons issue. Yes, I directed Transgrid to undertake the project. This identified the need for systems strength at five locations across the State. The direction in the tender gave flexibility to achieve this. That's actually the process working. In working closely with the partners that we have, what has been decided is that the 10 units were the best solution for those five sites. I'm not quite sure the point that you're trying to make. You don't get to come in here, because it's Government time. But the point here is that it's working as intended and we'll continue to do that as we build out the grid.

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**The Hon. WES FANG:** That's not what the direction says, so I don't understand.

**The Hon. PENNY SHARPE:** You're suggesting that the direction is ambiguous in relation to locations or units.

**The Hon. WES FANG:** No, I think it's quite firm. Each of them must be 1,500—

**The Hon. Dr SARAH KAINED:** Mr Fang, it's not your time.

**The CHAIR:** It is the Government's time.

**The Hon. PENNY SHARPE:** Thank you very much. You can come back to it if you really want to talk to me about that, Wes. That's fine. I think I'm done for this bit.

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

**(Short adjournment)**

**The Hon. JACQUI MUNRO:** Minister, I want to take you to the financial statements in the annual report for the department. It notes that the department received \$927.9 million less than expected in 2024-25, mostly due to less money being transferred to EnergyCo due to project delays. Could you please tell me what specific project delays have caused that?

**The Hon. PENNY SHARPE:** The other significant part of the funding change is the change to Federal arrangements for energy rebates as well, which is quite significant. The delays are as we go through the planning system—as we know, projects are taking longer, which means that different costs come on board at different times, so there are different transfers of funds.

**The Hon. JACQUI MUNRO:** Are there specific project delays that have caused this delay?

**The Hon. PENNY SHARPE:** I can take on notice exactly what they are. For example, as I said, previous governments said that Central-West Orana would be shovel-ready by 2022—obviously that wasn't the case. We had to go through the planning system, finalise the route and do those kinds of work. It is now on track to be dealt with by 2028. All of those matters are a matter of record. But I can get you more detail about that.

**The Hon. JACQUI MUNRO:** Just to be clear, those delays will not change the amount of money that is actually provided to those projects in the forward estimates?

**The Hon. PENNY SHARPE:** No. Things move around as a result of the different financial milestones.

**The Hon. JACQUI MUNRO:** Minister, what is an "ECCS realignment"?

**The Hon. PENNY SHARPE:** That's the restructure of the department. Do you want to talk to Mr Anthony Lean about it? ECCS is the energy and climate change part of my department. As you know, we established a brand-new department: DCCEEW. There's been a restructure in relation to that, partly as a result of the Government's targets on reducing senior executives but also really just making the department fit for purpose, given the Government priorities.

**The Hon. JACQUI MUNRO:** Does that include this corporate and enabling services optimisation contract? There was a Nous Group contract worth \$650,000 for corporate and enabling services optimisation.

**The Hon. PENNY SHARPE:** That's a different matter. Mr Lean can tell you that.

**ANTHONY LEAN:** That's actually a separate process. After we were established, we went through a process of centralising corporate functions that had been spread across the different groups in the department. Nous was engaged to help us with the design and some of the change management around that as well.

**The Hon. JACQUI MUNRO:** I might go into that in more detail this afternoon. In terms of Eraring, there were reports that in 2024 about 6,000 hours were lost because of Eraring outages. I am wondering how you have modelled those outages for this year and into what will now be a 2029 operation.

**The Hon. PENNY SHARPE:** We will have to take that on notice. All of the outages and the modelling in relation to that sits mainly with AEMO as part of their ongoing reporting around ESOO, as we were talking about in the previous session.

**The Hon. JACQUI MUNRO:** How do you account for those in your own department, those hours that are—

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**The Hon. PENNY SHARPE:** We don't account for them. What we account for is what is the reliability, are we going to have enough energy, what does the energy market tell us and how do we manage that. My department doesn't watch all of the outages. The outages happen—there is planned maintenance where there are outages and then there is unplanned maintenance when something goes wrong. That's a matter for Eraring and Origin.

**The Hon. JACQUI MUNRO:** The 6,000 hours that were lost with outages, they're the times when prices spike.

**The Hon. PENNY SHARPE:** It depends on what else is happening in the grid at the time. Don't forget we're in a national grid—it depends. But, yes, the great concern around price spikes tends to happen when we've got peak demand, particularly when there are outages. Mr Lean has something to add to that.

**ANTHONY LEAN:** One of the reasons that the Energy Security Target Monitor function was transferred back to the department was so that we could start to work through some of the issues like that as well. It's not specific into individual plants or hours, but we did commission some work that looked at overall reliability. One of the things we're looking to do is start to test with the generators their maintenance programs and other things like that, to reduce the risk of unplanned outages.

**The Hon. PENNY SHARPE:** The change to the energy security monitor came out of the check-up that Cameron O'Reilly did. When we came in, that was kicking the tyres on where we were at with the road map and what we needed. The Government decided that we needed to have our own energy target monitor to be able to have our own advice in relation to that. So there's the AEMO work and then there's the translation of what that means for New South Wales.

**The Hon. JACQUI MUNRO:** In terms of addressing specifically the unplanned outages that will inevitably occur, and presumably at a greater rate as the facility continues to age—

**The Hon. PENNY SHARPE:** Unfortunately, yes.

**The Hon. JACQUI MUNRO:** How is that managed?

**The Hon. PENNY SHARPE:** We don't manage it. It's managed through the grid and the market through AEMO.

**The Hon. JACQUI MUNRO:** How do you provide certainty to consumers around—

**The Hon. PENNY SHARPE:** That's not the role—AEMO runs the system. Their job—which is what they do every single day—is to manage the grid. They do modelling, forecasting every single day. That's where their market notices things like lack of reserves. If we know that there's going to be a problem because there's too much—and then the market responds to that.

**The Hon. JACQUI MUNRO:** What I am asking is when those unplanned outages occur and you do have price spikes in the market, do you have any plans to, in some way, underwrite price increases that people might experience?

**The Hon. PENNY SHARPE:** No, that's not what we do. What we do is demand-side management. I think I've had to do this twice since being Minister; very occasionally we ask people to use electricity—there are three different ways that this operates. AEMO has a system where they actually pay large users—like Tomago and others—to power down so that there is less demand on the grid. Consumers ultimately pay for all of that; it's part of the system. We have arrangements through our large users—Sydney Water, for example, have lots of pumps and those sorts of things. On a really bad day when we have problems, we have a government process—they have fancy names; I can't remember what they are. Anthony might know.

Essentially the Government turns down and moves use to the end of the day. Then at the end of that—I've had to do this twice—is when we talk to households and businesses to see what else they can do to reduce demand. We do the demand management of it. The market really operates to bring more online. If we've got a really bad day and we know that outages at Eraring are on, for example, AEMO sends signals and information to the market; they try to bring things on board. Our department does some work with them on this, talking to people about whether they can change some of their maintenance arrangements. It's a pretty dynamic system that's really managed in real time.

**The Hon. JACQUI MUNRO:** In terms of Eraring's extension and air quality and air-quality monitoring, Eraring is a source of sulphur dioxide, of nitrogen dioxide and inhalable particles, generally, at very high levels around the Central Coast and lower Hunter. There is a suggestion in the *Air quality monitoring plan for the Lower Hunter and Central Coast regions 2026-30* about deploying low-cost sensors to provide real-time air-quality

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information during occasional pollution events. Are you going to commit to rolling out those air-quality monitoring?

**The Hon. PENNY SHARPE:** I might hand that to Mr Chappel. He'll be able to tell us.

**TONY CHAPPEL:** I can certainly give you some more information now, if you like.

**The Hon. JACQUI MUNRO:** Just quickly, are more air-quality sensors going to be rolled out?

**TONY CHAPPEL:** I'll have to take the specifics and come back, perhaps later this morning, on the proximity to Eraring. We regularly roll out what are called PurpleAir monitors, which are very low cost. People can have them in their own homes. We put them in schools and other areas to give people a real-time snapshot of their immediate air quality. We have a comprehensive network around Lake Macquarie and the Central Coast as well, which consistently shows that air quality there is good.

**The Hon. JACQUI MUNRO:** I'm curious about how much funding was allocated in 2025-26 to the protection and management of Aboriginal cultural heritage.

**The Hon. PENNY SHARPE:** I'm not sure how disaggregated that is. I have more information than I thought I did, which is good. Cultural heritage is managed in two areas. One is Heritage NSW, and then there's a lot of cultural heritage management in National Parks. These are not the figures for National Parks, but it was around \$8.6 million.

**The Hon. JACQUI MUNRO:** So that \$8.6 million is specifically within your department?

**The Hon. PENNY SHARPE:** Yes. That's in the Heritage branch. That's for Aboriginal cultural heritage programs and Aboriginal cultural heritage assessments. And then there's another program called protect and restore nature as well. The vast majority is programs and assessments.

**The Hon. JACQUI MUNRO:** Do you have a plan or any targets around increasing the number of Declared Aboriginal Places?

**The Hon. PENNY SHARPE:** We don't have a plan about increasing them. That's not really the way that it operates. I've got lots of information about this.

**The Hon. WES FANG:** Is any of it useful?

**The Hon. PENNY SHARPE:** It's actually really useful, because I have excellent public servants who provide good, transparent information to this Committee. The way that it operates is that there are applications that people go through, driven by local traditional owners and others. They come forward for assessment and then they're dealt with. We don't have a target for them. What I can say is that in 2024-25 there was an Aboriginal place that was gazetted, which was the Bellwood Aboriginal Place on the Mid North Coast. It's a men's site. It was done in consultation with community Elders. We've also done three others, being the Ivanhoe Common Aboriginal Place, the Borah Crossing Aboriginal Place in Manilla and the Baby Feet Cave Aboriginal Place in Growee. Essentially, we deal with them as they're nominated. It takes quite a long time. As you can imagine, there are so many gaps in terms of understanding of Aboriginal cultural heritage as well.

**The Hon. JACQUI MUNRO:** In terms of unauthorised harm or destruction of Aboriginal cultural heritage sites, how many reports were there in the past financial year?

**The Hon. PENNY SHARPE:** I understand that 102 were received by the regulator within the department.

**The Hon. JACQUI MUNRO:** Are those investigated?

**The Hon. PENNY SHARPE:** They're all investigated, yes.

**The Hon. JACQUI MUNRO:** Are there any time restrictions on how long those investigations have taken?

**The Hon. PENNY SHARPE:** No. It depends. Some of them are more complex than others, so there's not—

**The Hon. JACQUI MUNRO:** Is there an average time?

**The Hon. PENNY SHARPE:** I don't think so, no. Some of them are very minor. Some of it could be quite serious.

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**The Hon. JACQUI MUNRO:** To a different matter, I was wondering if you are concerned about the impact of the Royal Botanic Garden Sydney's new parking permit system in terms of whether tourism operators around that Mrs Macquarie's—

**The Hon. PENNY SHARPE:** Botanic Gardens sits under Minister Scully. It's not me.

**The Hon. JACQUI MUNRO:** In shark land—this is something that has been in the news recently—there has been confusion about who has responsibility for sharks in Sydney Harbour. DPI has said that councils are responsible. Councils have said, "No, our limits are on the shoreline." Do you have any insight into who is responsible for sharks in Sydney Harbour?

**The Hon. PENNY SHARPE:** I think you've identified that it's complicated. The first thing I'd say is that people have lost their lives over this summer. It's something that hasn't happened—I think we've had one fatality. It's a very serious matter. Condolences to families that have been affected. This has been a very unusual set of circumstances. Having said that, shark mitigation and shark safety sits with Minister Moriarty through the shark program. The Government has announced a bunch of information around that. Where you're going with this is that the governance of Sydney Harbour—the various different land uses and the multitude of different landholders and land managers—is a complicated matter. I can say to you that I've been talking to the NSW Coastal Council about this. There's good work done by many councils. As you know—I can't remember what they're called—there's the catchment of a bunch of councils doing really good work on that. The short answer is I can't untangle who owns the sharks. I can tell you who is responsible for mitigating harm. That's Minister Moriarty.

**The Hon. JACQUI MUNRO:** In terms of the Future Jobs and Investment Bill—

**The Hon. PENNY SHARPE:** That's Minister Houssos, yes.

**The Hon. JACQUI MUNRO:** —there were concerns that there weren't environment-related requirements for new projects that were being put through.

**The Hon. PENNY SHARPE:** Sorry, I'm not quite sure I know what you mean.

**The Hon. JACQUI MUNRO:** In terms of how the committees assess new projects and how they assess the new uses for land, for example, in the sites that are supposed to be remediated, there were concerns brought to me that the environment wasn't a consideration in the new land uses. I was wondering if that was something that had been given any attention by you or your department?

**The Hon. PENNY SHARPE:** It's not something that I'm familiar with, but I'm not sure that I'm understanding what you're asking me. The Future Jobs and Investment Authority which is being set up, which is about future use—you'd need to check. There are not a lot of areas where this has been activated yet. Any future use would be required to go through any planning system. That's where environment and other matters are dealt with.

**The Hon. JACQUI MUNRO:** It's about the consideration that the new committees—sorry, I don't know the actual term.

**The Hon. PENNY SHARPE:** I don't have any line of sight on these.

**The Hon. JACQUI MUNRO:** I have been informed that the Heritage Council has gone from nine members to six. The Act requires it to have nine. Some of its committees have been disbanded, with no indication that vacant positions are being advertised. Are you aware of that?

**The Hon. PENNY SHARPE:** We're working through to fill the requirements. They should be dealt with pretty soon. The council is still operating. It's able to operate with quorum. It's not not operating. As I understand it, they've made some changes to their committees. That's a matter for them. They're an independent council. Some people have come to the end of their term and there is a process. I don't think it has been finalised in terms of me ticking it off, but it's coming pretty soon to fill those.

**ANTHONY LEAN:** I sent it up yesterday.

**The Hon. PENNY SHARPE:** There you go. I haven't seen it yet. It's in my office, apparently.

**The Hon. JACQUI MUNRO:** Are you concerned that planning reforms that have gone through recently have significantly reduced the assessment and approval role of the Heritage Council?

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

**The Hon. JACQUI MUNRO:** This is definitely a concern in the heritage community.

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**The Hon. PENNY SHARPE:** There are a couple of things you need to understand. The Heritage Council deals with State Heritage listed items. That's what they deal with. They are still protected. Any changes that impact on a State Heritage listed site still need to be approved, so there's no change there. The second thing is, in terms of the Housing Delivery Authority, there are going to be heritage people who have input into that process. I think a lot of the concern comes from the local level, where there's a misunderstanding around how the Heritage Act works in New South Wales. A lot of it sits within the EP&A Act and sits under Planning and Local Government. It doesn't sit with the Heritage Council.

**The Hon. JACQUI MUNRO:** There are also reports that the Approvals Committee, the Heritage Advisory Panel and Technical Advisory Panel are being dissolved. Is that accurate?

**The Hon. PENNY SHARPE:** I don't believe that's the case. As I said, they may have realigned in terms of what we're doing. They're independent. I'm happy to take it on notice.

**The Hon. JACQUI MUNRO:** That would be helpful. There's certainly a concern that's emerging.

**The Hon. PENNY SHARPE:** I know there's some concern, but the thing I really want to inform the Committee of is that we've put more items on the State register than any other government in decades. The approvals have now caught up in terms of the backlog that was there. The council is working really diligently through that. We literally have no backlog now. When I became the Minister, there were literally hundreds of matters that were being dealt with and hadn't—I can probably give you the numbers of how many things we've put on the—

**The Hon. JACQUI MUNRO:** The question is that if you're comfortable with those technical advisory panels and the Approvals Committee being dissolved, given that there is an increase heritage matters, how is that functionally working?

**The Hon. PENNY SHARPE:** The first thing is that I meet regularly with the Chair of the Heritage Council. She's doing a fantastic job and they're working through that. I understand that we need to make some appointments. I'm not aware of the issues that you're raising. I'm happy to take it on notice, but I'm actually not concerned. As I have said, since the last election I have dealt with 56 listings on the State Heritage Register and I have made 64 decisions in relation to the matter of these. That is ongoing, but I don't have any concerns. I'm happy to take them on board, but I'm not aware of any. I will just say that the Heritage Council is doing an amazing job, but we need to put a few more people on it.

**Ms ABIGAIL BOYD:** Good morning. I'm going to ask some questions that cover a little bit of what you have discussed this morning but, rest assured, I have been listening the whole time so there is no need to repeat anything.

**The Hon. PENNY SHARPE:** That's hours of your life you're not getting back, Abigail.

**Ms ABIGAIL BOYD:** In the supplementary questions for the last budget estimates hearing, I asked the question:

Has the department advised the Minister that uncontrolled data-centre growth could jeopardise NSW's legislated 2035 emissions target?

The answer I got back was yes. Could you tell me when that advice was received?

**The Hon. PENNY SHARPE:** I would have to take it on notice. Everyone who is raising the data centre issue is asking legitimate questions that we are really grappling with and, I think, all governments are grappling with. I can take on notice exactly when they have given me advice, but it comes in a range of ways. Sometimes I am verbally briefed and sometimes I get formal advice up there. As I was saying, there are a number of things the Government is undertaking. The IDA, which is the planning and expressions of interest in terms of data centres, is really the concierge service. INSW is doing the work on the guidelines and the way that that would operate, and my department is very hooked into that.

**Ms ABIGAIL BOYD:** From a climate target perspective, when you received that advice, were you concerned?

**The Hon. PENNY SHARPE:** I am concerned about all of the ways in which we meet the targets.

**Ms ABIGAIL BOYD:** It seems unlikely, given the extent of the data centres being proposed at the moment plus the opening of Eraring for an additional two years, that we are anywhere near to meeting our targets for reducing emissions in the energy sector. At what point do we change tack so that we actually will meet those targets?

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**The Hon. PENNY SHARPE:** In terms of my responsibilities, that is exactly what we are doing. We legislated the targets because we expect them to be met. We put in place a robust system of measuring whether that is happening. It is challenging. The last lot of modelling said that it is going to be challenging. There is a whole lot of work we are doing. We are doing a new Net Zero Plan and there is also government work, work in the planning system and work that the EPA is doing. I wouldn't say that we change tack. I would say that we are constantly monitoring what we need to adjust to make the targets.

**Ms ABIGAIL BOYD:** But you're not on track?

**The Hon. PENNY SHARPE:** It is challenging to meet it, yes. That's what the most recent modelling says. I think we are about 46 per cent for 2030. That's why we are continuing to do all this other work to get there.

**Ms ABIGAIL BOYD:** My colleague Ms Higginson asked questions before. It just seems like we are all acknowledging that these targets are probably not going to get met.

**The Hon. PENNY SHARPE:** I'm not prepared to throw in the towel yet, and nor should I, as the Minister.

**Ms ABIGAIL BOYD:** I know you're not, but if you were watching these estimates going, "That is all very nice and well, but just saying you are going to meet them doesn't mean you will meet them"—

**The Hon. PENNY SHARPE:** Shout-out to everyone who is watching the estimates. The point that I would make it that this is a Government commitment, and it is a serious commitment. We legislated the targets, and we'll continue to work towards that. It's just not the way in which I like to communicate and to have these conversations, to say that everything is fine and we can wave a magic wand. I want to be honest with the community and I want to be honest with Committee members that we are doing everything we can to meet those targets. But I'm not throwing in the towel yet. We've got four years to go.

**Ms ABIGAIL BOYD:** Noting your comments earlier that you as the climate Minister are committed to reducing emissions and that you do view it as urgent—

**The Hon. PENNY SHARPE:** Absolutely. Trust me, my kids don't let me leave the dinner table.

**Ms ABIGAIL BOYD:** I fully believe that is your view. Are you aware that some of these new data centre developments are proposing to skirt the whole energy grid capacity question by instead building their own fossil fuel power plants?

**The Hon. PENNY SHARPE:** I think there is a range of different options that they are putting forward, given their interest about putting them through. But, again, our planning system needs to work through that—the way in which the IDA operates and the other guidelines. Yes, I'm aware that people have a range of different ways in which they want to plug in their data centres, but the way in which the Government allows that to happen is still being worked through.

**Ms ABIGAIL BOYD:** Are you aware of the one that's being proposed in the Southern Highlands?

**The Hon. PENNY SHARPE:** There are a few down there.

**Ms ABIGAIL BOYD:** They want to build a 673-megawatt gas-fired power station, which would be around the same size as Kurri Kurri and would be around two million tonnes of additional CO<sub>2</sub> each year. What is your role in making sure that those sorts of developments don't go ahead?

**The Hon. PENNY SHARPE:** My role is legislated targets, the advice that we have given to the IPC and planning in relation to the need to meet the targets, and for it to be a consideration through the planning process.

**Ms ABIGAIL BOYD:** But as energy Minister and as climate Minister, do you have any direct influence?

**The Hon. PENNY SHARPE:** Again, there is an independent planning system. Things go through the independent planning system and my agencies put advice in relation to concerns about that. The Government is looking at our broader data centre strategy and the way that they will interact. That is not finalised yet. There are all of those things. The short answer is yes but, directly, as me personally as the Minister, that is not the way it works. We work through my agencies. Am I concerned about energy use? Yes. Am I concerned about water use? Yes. Emissions? Yes.

**Ms ABIGAIL BOYD:** Are you concerned about the additional emissions?

**The Hon. PENNY SHARPE:** I am concerned about all of that. That is my job.

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**Ms ABIGAIL BOYD:** How are we turning that concern into—

**The Hon. PENNY SHARPE:** We are doing the new strategy.

**Ms ABIGAIL BOYD:** —being able to assure the public that the Labor Government is taking its climate action seriously?

**The Hon. PENNY SHARPE:** Through the planning system and the establishment of the data centre strategy.

**Ms ABIGAIL BOYD:** Are you concerned, as the Minister, that we have a gas plant as big as Kurri Kurri being proposed to be established by one of these data centres?

**The Hon. PENNY SHARPE:** Ms Boyd, I am concerned about many issues. I am concerned about energy—

**Ms ABIGAIL BOYD:** That one?

**The Hon. PENNY SHARPE:** All of them. I am concerned about all of them. Are we taking enough action on climate change? Are we leaving the planet in a better state than it is? How long am I going to be the Minister here in this Government that is serious about tackling that and what actions can we undertake? That is what I do every day.

**Ms ABIGAIL BOYD:** It's not your job to be concerned, though; it's your job to take action.

**The Hon. PENNY SHARPE:** You just asked me if I was concerned. Yes, I am concerned, and then I take action in the way that I have told you. I work through my department. We have legislated the targets. We have the Net Zero Commission that is keeping us online. I have a whole lot of modelling that is being done that is allowing you to ask these questions, because we know that it is a challenge. We are then doing the Net Zero Plan, which is not just about government. The Government also has to meet its own targets. We have then got the work that the EPA is doing in terms of all of the highest polluting and highest emitting industries. That is actually a question that perhaps you should ask Mr Chappel. High-emitting data centres would also fall under our regime. But I'm not sure about that. I would need to check.

**TONY CHAPPEL:** Certainly of that scale they would, yes.

**Ms ABIGAIL BOYD:** I will come back to you this afternoon.

**The Hon. PENNY SHARPE:** That's how they get picked up—in their pollution licence.

**Ms ABIGAIL BOYD:** Staying with data centres for one more minute, I note there was a question from Ms Munro earlier around the impact on energy bills. As we know, we've got at the moment retail customers paying a disproportionate burden of network costs. I note that there was an Ausgrid report that was prepared in relation to Macquarie Park and the increased demand requirements from the five data centres being proposed there. They, in that document, have a lot to say about the increased costs. Just for Macquarie Park to set up a new subtransmission substation, we are looking at quite significant costs by 2028 to 2029 on residential as well as small to large business and industrial. That is just in that one area. I note that you were talking about doing modelling earlier, but what we're looking for is some direction rather than a passive monitoring or modelling. What are you doing to ensure that these data centres will pay—

**The Hon. PENNY SHARPE:** The Government is doing a data centre strategy where we expect that consumers don't have to pick up the bill for that. But that work is not finalised. It's still subject to Cabinet consideration. You will have to wait.

**Ms ABIGAIL BOYD:** That is \$160 million in additional capital from Ausgrid.

**The Hon. PENNY SHARPE:** If they are approved, sure. This is exactly that work. We are doing that work. All of that is being considered. But I'm not in a position to be able to give you all of the details because it is still under consideration by the Government.

**Ms ABIGAIL BOYD:** But it's quite perplexing. On the one hand we have all of these statements coming out from the Treasurer saying, "These data centres are going to push up GSP. They are going to be the future of New South Wales. We are going to roll out the red carpet with the IDA and have all of this fast process." But then on the other hand we are saying, "Yes"—and I note your comments earlier that, in parallel, we have this data centre plan developing. What assurance do you have that these data centres won't be approved before your data centre plan comes out?

**The Hon. PENNY SHARPE:** We're working through that and that's exactly the point.

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**Ms ABIGAIL BOYD:** You don't have one, though, do you?

**The Hon. PENNY SHARPE:** Sorry, I don't know what you're asking me. You're asking me to look into the future. You're saying, "Are you concerned?" Yes. "What are you doing about it?" I've just told you what we're doing about it. But you sort of want us to have made the decision yesterday and what I'm saying to you—and I'm being very honest with you—is that this is the work that we are landing across government cooperatively. The Treasurer and I are talking about this all the time. Our agencies are talking about this all the time. It's subject to a Cabinet process that will be done pretty soon.

**Ms ABIGAIL BOYD:** Let me be clear. If I was in your position, I would put a halt on data centre approvals until I had worked this stuff out.

**The Hon. PENNY SHARPE:** Well, you'd have to change the legislation to do that. That's really good. I look forward to your piece of legislation.

**Ms ABIGAIL BOYD:** You could also put up the legislation.

**The Hon. PENNY SHARPE:** You can't actually stop people from applying—

**Ms ABIGAIL BOYD:** Well, you can if you took a different policy setting.

**The Hon. PENNY SHARPE:** You can if you want to change the law but that's a matter for you. I look forward to The Greens bill on that.

**Ms ABIGAIL BOYD:** If you were serious about climate action—

**The Hon. PENNY SHARPE:** I look forward to your bill—

**Ms ABIGAIL BOYD:** In relation to the ban on gas in new residential builds, as you know, a whole bunch of local councils have now taken that step of banning it in the absence of a statewide plan. Do you think it's time for the State Government to do that on a statewide basis? What will it take?

**The Hon. PENNY SHARPE:** We're doing a bunch of demand reduction but we're not taking that route, no.

**The Hon. TANIA MIHAILUK:** Good morning, Minister. Can I just turn your attention to the Net Zero Commission. I just wanted to confirm a couple of things. Obviously you accept that it's a government sector agency.

**The Hon. PENNY SHARPE:** Yes, but it's independent of direction.

**The Hon. TANIA MIHAILUK:** Yes, of course. But you're the responsible Minister.

**The Hon. PENNY SHARPE:** I am. But they don't take direction from me.

**The Hon. TANIA MIHAILUK:** I understand that. Can I just confirm—under section 2.8 of the Government Sector Finance Act, the Treasurer and Auditor-General must be notified of the establishment of a new government sector agency. Can either you or the commission let me know what date that notification was done?

**The Hon. PENNY SHARPE:** I'd have to take that on notice. I think the chief commissioner is coming this afternoon.

**The Hon. TANIA MIHAILUK:** Yes, they're not here yet.

**The Hon. PENNY SHARPE:** You can ask him.

**The Hon. TANIA MIHAILUK:** It's got to be done within a month of its creation and I noticed on the last GSF agency list guide of March 2025 it's not listed there.

**The Hon. PENNY SHARPE:** Okay.

**The Hon. TANIA MIHAILUK:** I'll just let you note that.

**The Hon. PENNY SHARPE:** I'm not aware of that. If you're asking about why it hasn't—

**The Hon. TANIA MIHAILUK:** A little bit concerning. I don't want it to be a rogue agency at this point.

**The Hon. PENNY SHARPE:** Are you asking did it happen or not, or when it was notified?

**The Hon. TANIA MIHAILUK:** It's not on the last agency list guide.

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**The Hon. PENNY SHARPE:** I appreciate questions where someone actually knows the answer. That's actually helpful.

**The Hon. TANIA MIHAILUK:** I do. I know it's not there. I'm just hoping that somebody, either yourself or the chair or former chair of the commission, has done the appropriate notification.

**The Hon. PENNY SHARPE:** Let me find out.

**The Hon. TANIA MIHAILUK:** You can take that on notice. In the 2024 annual report of the Net Zero Commission, there are zero financial statements, zero governance disclosures and zero expense breakdowns.

**The Hon. PENNY SHARPE:** Sorry, which annual report?

**The Hon. TANIA MIHAILUK:** The only annual report that the Net Zero Commission has provided publicly at this stage is the 2024 annual report, and there are zero financial statements, zero expense breakdowns and zero governance disclosures. Does the commission's annual report not want to comply with the Treasury's TPG25-10 Framework for Financial and Annual Reporting?

**The Hon. PENNY SHARPE:** I don't actually know the reason for that. I think Mr Lean probably does. I suspect it was probably in terms of when its creation was and the way in which the reporting occurs. But I'd have to seek information about that.

**The Hon. TANIA MIHAILUK:** There's nothing since then that has been provided. To this date are you aware of any public expenditure breakdown that has been provided in respect of the Net Zero Commission?

**ANTHONY LEAN:** I don't think it's actually a separate financial reporting entity; it's consolidated as part of the department. But I'll have to come back and confirm that.

**The Hon. TANIA MIHAILUK:** So where is it in the budget papers—just consolidated in the department?

**ANTHONY LEAN:** In the department.

**The Hon. TANIA MIHAILUK:** Has the Auditor-General audited the financial statements of the Net Zero Commission, Minister?

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

**The Hon. TANIA MIHAILUK:** You're not aware?

**ANTHONY LEAN:** That goes back to the issue about whether it's a separate financial reporting entity, so we'll come back to you on that.

**The Hon. TANIA MIHAILUK:** Do you know how much you're allocating in the budget for the Net Zero Commission for 2025-26?

**The Hon. PENNY SHARPE:** I'd have to take it on notice.

**The Hon. TANIA MIHAILUK:** Do you know how many staff there are at the Net Zero Commission, Minister?

**The Hon. PENNY SHARPE:** I'll have the information there. It's not a huge staff.

**The Hon. TANIA MIHAILUK:** Do you have any idea?

**The Hon. PENNY SHARPE:** If you give me a second, I'll get it for you.

**The Hon. MARK LATHAM:** Where's Nick?

**The Hon. TANIA MIHAILUK:** I don't know. The chair is not in.

**The CHAIR:** I think they did give evidence about all of this at the last supplementary estimates, from memory.

**The Hon. PENNY SHARPE:** It's fine. I would just say that I think the Net Zero Commission is doing an incredible job, and they're set up to provide the frank and fearless advice that means that you can ask me lots of questions about whether we're meeting our emissions targets and how we're doing that—with very eminent people who are working through that and I appreciate their work.

**The Hon. TANIA MIHAILUK:** I'm not questioning that. I would just love to see some financials—

**The Hon. PENNY SHARPE:** I'll get it for you.

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**The Hon. TANIA MIHAILUK:** —and I'd love to know when they notified the Treasurer and the Auditor-General that they were indeed a government agency.

In December 2025 the New South Wales Net Zero Commission released its report, as you know, the *Coal Mining Emissions Spotlight Report*, which has been mentioned earlier this morning. Finding 4 is:

Continued extensions or expansions to coal mining in NSW are not consistent with the emissions reduction targets in the Climate Change Act or the Paris Agreement temperature goals it gives effect to.

Minister, in the media reporting following the release of that report, the Premier described it as "irresponsible" to stop project approvals overnight. What is your response to the Premier's characterisation of stopping coalmine extensions as irresponsible?

**The Hon. PENNY SHARPE:** The Premier is entitled to say what he likes. He's the boss. He's allowed to have that view. The point of the Net Zero Commission is to provide that advice. It's part of a range of different advice that we seek in relation to those matters. The challenges of—

**The Hon. TANIA MIHAILUK:** Minister, the first report they've issued essentially beyond their annual report—you've got the Premier coming out saying that he essentially finds their chief findings irresponsible. I'm asking what your view on that is.

**The Hon. PENNY SHARPE:** No, I think you're reading into—that is not what he said.

**The Hon. TANIA MIHAILUK:** There are only five findings.

**The Hon. PENNY SHARPE:** Yes. And they're doing their job, as they should. I don't think there is any problem with this at all.

**The Hon. TANIA MIHAILUK:** I'm not in any way demeaning what the Premier said.

**The Hon. PENNY SHARPE:** No, I wouldn't have thought so. I thought you were backing it in.

**The Hon. TANIA MIHAILUK:** I think it's fantastic. I'm wanting to know what your view is, though.

**The Hon. PENNY SHARPE:** My view is that the Net Zero Commission has got an important role, which is to talk about how we actually meet the emissions—and they provide us with some tough advice. And we have to do that. My job is to make sure that we meet our emissions reductions targets and that is what I continue to do. And their advice is really important in that, even when it's sometimes a bit uncomfortable.

**The Hon. TANIA MIHAILUK:** Minister, if the Premier has described aspects of the commission's report as irresponsible—

**The Hon. PENNY SHARPE:** That's not what he said.

**The Hon. TANIA MIHAILUK:** —does that description extend to the commission's advice to the IPC?

**The Hon. PENNY SHARPE:** I don't accept that that is what he said. I have no concerns with what the Premier is doing.

**The Hon. TANIA MIHAILUK:** It has been written up in a couple of articles and at no stage has the Premier disputed that he referred to those findings as irresponsible.

**The Hon. PENNY SHARPE:** You've asked me whether I'm concerned. No.

**The Hon. TANIA MIHAILUK:** Minister, I think Ms Faehrmann noted that you had previously written to the IPC, I think in May 2024—

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

**The Hon. TANIA MIHAILUK:** —prior to the planning Minister issuing his statement of expectations to the commission regarding the New South Wales net zero framework. Obviously, that's going to expire—as I understand, in June this year. Will you be again writing to the planning Minister for the IPC to prioritise net zero considerations over other New South Wales considerations such as trade, investment and industry?

**The Hon. PENNY SHARPE:** We'll consider that when it comes up.

**The Hon. TANIA MIHAILUK:** So you don't know if you're going to write it? Minister, you do know you're the only Minister that did write to the planning Minister.

**The Hon. PENNY SHARPE:** Yes, because I'm the climate change Minister.

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**The Hon. TANIA MIHAILUK:** For some reason Minister Chanthivong forgot to actually write to the Minister with respect to prioritising trade, industry and investment.

**The Hon. PENNY SHARPE:** You'll have to raise that with—

**The Hon. TANIA MIHAILUK:** I will.

**The Hon. PENNY SHARPE:** I'm glad that you'll raise that with him.

**The Hon. TANIA MIHAILUK:** He was asleep at the wheel. He forgot.

**The Hon. PENNY SHARPE:** What I can say to you—and you'd be unsurprised by this—is that I take the role and my responsibilities as Minister for Climate Change very seriously and will continue to do so.

**The Hon. TANIA MIHAILUK:** Well done. You're the only one that wrote in. At this stage the planning Minister only received a letter from yourself prioritising net zero but nobody wrote about trade, industry and investment in New South Wales.

**The Hon. PENNY SHARPE:** We need to prioritise net zero in terms of the impact of our economy long term.

**The Hon. TANIA MIHAILUK:** On a brighter note, Minister, you might recall that we moved a motion in the Parliament in regard to container deposit refund value, looking at a cost-benefit analysis to a minimum of 20¢. How is that going?

**The Hon. PENNY SHARPE:** I'm not sure. You probably should ask Mr Chappel in terms of—the EPA are working on that. But I need to say that we're looking at it. There is a big campaign about increasing from 10¢ to 20¢, but my view very much is that, if we're going to do that, that is something that we need to do nationally because of the impact on industry. It's a big change.

**The Hon. TANIA MIHAILUK:** There is a motion in the House that was passed unanimously that indeed you have to have cost-benefit analysis.

**The Hon. PENNY SHARPE:** You can ask Mr Chappel. I'm sure they're looking at it.

**The Hon. TANIA MIHAILUK:** So you'll take it on notice or someone is going to respond to me today?

**TONY CHAPPEL:** I can give some information if you like.

**The Hon. TANIA MIHAILUK:** Maybe in the afternoon—if you could let me know. Minister, can I just also remind—back to microplastics.

**The Hon. PENNY SHARPE:** We've got some updated info on net zero if you want. Mr Lean's got that.

**The Hon. TANIA MIHAILUK:** Just quickly, yes.

**ANTHONY LEAN:** It's not a separate reporting entity under the Government Sector Finance Act. It currently has 26 staff and seven commissioners, and its budget for this financial year is \$6.7 million.

**The Hon. TANIA MIHAILUK:** But you will release some financial statements for the public?

**The Hon. PENNY SHARPE:** It's not required to.

**ANTHONY LEAN:** No. It's not a separate reporting entity.

**The Hon. TANIA MIHAILUK:** You don't have to.

**The Hon. PENNY SHARPE:** It's the same as the heritage part of DCCEEW. But we're happy to give you the numbers.

**The Hon. TANIA MIHAILUK:** I think everyone thought it was going to be a separate government sector agency, in the way it reads in the Act.

**The Hon. PENNY SHARPE:** You can ask the Treasurer about that.

**The Hon. TANIA MIHAILUK:** Interesting. Microplastics—you previously indicated that more research is required. You might recall I did put quite a few questions in relation to including microplastics as an ecological indicator with the New South Wales river health monitoring programs. Do you recall that, Minister?

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

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**The Hon. TANIA MIHAILUK:** You previously indicated that more research is required before microplastics can be treated as an indicator. Do you know what additional research has been commissioned since those answers were provided?

**The Hon. PENNY SHARPE:** I'll hand that to Mr Chappel.

**TONY CHAPPEL:** Would you like me to answer that now?

**The Hon. TANIA MIHAILUK:** Sure.

**TONY CHAPPEL:** The EPA and our colleagues in the science division of DCCEEW have been working on a multistage broadscale microplastic assessment. That research is essentially complete now. It's just being interpreted and validated for release shortly.

**The Hon. PENNY SHARPE:** Thank you for your ongoing interest in plastics. It's a huge issue.

**The Hon. TANIA MIHAILUK:** I want it out of our rivers in Sydney.

**The Hon. PENNY SHARPE:** I love it. It's good.

**The Hon. WES FANG:** Minister, in relation to the New England REZ, how many approved renewable energy projects does that REZ have?

**The Hon. PENNY SHARPE:** I will have to get that for you.

**The Hon. WES FANG:** Are you able to also provide the capacity of those projects?

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

**The Hon. WES FANG:** Thank you. The timeline of construction that's published on the draft ISP indicates that the project will be completed by July 2032. How much generation capacity do you predict you will have in that REZ by the time we get to July 2032 and you complete the transmission line?

**The Hon. PENNY SHARPE:** Are you talking about completed, operating?

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

**The Hon. PENNY SHARPE:** I'd have to take that on notice because it changes, depending on where the projects are up to.

**The Hon. WES FANG:** Okay. In circumstances where, I believe, the draft ISP indicates that you only have—I think it's 2,400 megawatts. Yes, 2,400 megawatts in the first stage—

**The Hon. PENNY SHARPE:** Capacity or generation?

**The Hon. WES FANG:** Additional network capacity. Why do you need to build the New England REZ transmission line?

**The Hon. PENNY SHARPE:** We need to build the transmission line so that we can transport enough of the renewable energy across the State, into the grid, when coal-fired power comes out.

**The Hon. WES FANG:** Are you confident you are going to have 6,000 megawatts of generation in that REZ?

**The Hon. PENNY SHARPE:** That's the plan that we're working to.

**The Hon. WES FANG:** Where is that going to be located?

**The Hon. PENNY SHARPE:** I'm not quite sure what you are asking me. Are you asking me where the transmission lines are going to be located or are you asking me where the generation—

**The Hon. WES FANG:** Where the projects are going to be located in the New England REZ.

**The Hon. PENNY SHARPE:** Obviously, there is a border that, basically, puts the REZ in place. There are negotiations with a number of landholders about whether they're going to host a range of those projects. Those are ongoing. So I can't tell you exactly, because some of those aren't finalised.

**The Hon. WES FANG:** Having been to the Walcha region—I'll say "the region"—I think there is about 4,000 megawatts of generation that's predicted for that area. You would have seen the roads and the infrastructure that exists in the Walcha region. Where do you see that they're going to be able to transport the blades, the wind towers that are proposed for those 4,000-megawatt—

**The Hon. PENNY SHARPE:** Generational capacity.

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

**The Hon. PENNY SHARPE:** That is really part of the way in which the renewable energy zones are being built. We're already putting another \$128 million into the Port to REZ road projects. I'm working very closely across government with the transport Ministers in relation to that. There are roads upgrades that will occur as a result of that so that these projects can be built.

**The Hon. WES FANG:** A lot of the roads that EnergyCo is working on the assumption of that they will be able to move equipment around are no more than fire trails and goat tracks.

**The Hon. PENNY SHARPE:** I saw some of those, but part of the requirement in terms of maintenance and the building—you're now talking about the transmission lines as opposed to the generation projects.

**The Hon. WES FANG:** No, I'm talking about the generation as well.

**The Hon. PENNY SHARPE:** What they showed me was the transmission lines, but that's okay. It is all the same. Part of it's the same, because you've got to do access.

**The Hon. WES FANG:** It's all the same. You're going to have to use the same roads.

**The Hon. PENNY SHARPE:** Yes. That is the whole point around the planning, which is what projects, what roads need to be upgraded, how do they need to be dealt with when you're dealing with the transmission lines. You're right: Some of the existing things are really tracks. But, if they are going to have to move that level of infrastructure, then they will need to be upgraded, and that is part of the process of working through it.

**The Hon. WES FANG:** What if I told you, Minister, that there are no approved projects around that region and that in the Planning Portal, I think, there is only one that's under consideration. Is it the case that we're spending over \$400 billion to build a transmission line to an area where we've, effectively, got no generation in planning and there's very limited access and limited infrastructure in order to support the amount of generation that you're suggesting is going to go into places like Walcha?

**The Hon. PENNY SHARPE:** No. That's a very long question, but we're also—New England is at the beginning. The proposed route of the transmission lines, the work in terms of access, which also works with foundation generators and all of that work—that's at the beginning. If you compare it to where Central-West Orana is, where there is now approval, there's access, there are 10 projects that are going to connect to it—we're at the very early stages of New England, which is also about getting it right, dealing with a lot of those matters that landholders and others deal with. So, no, I'm not concerned about that, because this is where we are in the process. What I am absolutely certain of is that we need the New England REZ and that the work that's going through there—

**The Hon. WES FANG:** So it's not "Build it, and they will come"?

**The Hon. PENNY SHARPE:** No. I don't know how much attention you have been paying to the way in which Central-West Orana—the National Party used to support Central-West Orana and the renewable energy zones. I know that you now no longer do, which is matter for you—

**The Hon. WES FANG:** That's okay, Minister. I will move on to a different topic.

**The Hon. PENNY SHARPE:** I know you don't like it, but I don't know what your poor Liberal colleagues are going to do. I don't know what your energy policy is going to be in the next election, either.

**The Hon. WES FANG:** You continue to talk about us instead of talking about what you're doing. So that's not the—

**The Hon. PENNY SHARPE:** I think people in New South Wales need to know what your energy policy's going to be.

**The Hon. MARK BUTTIGIEG:** Point of order—

**The Hon. WES FANG:** The thing is you are supposed to be answering the—

**The Hon. PENNY SHARPE:** I am answering all of your questions. I do have questions for you, and I wish that I got to do that, but I don't get to do that anymore.

**The CHAIR:** Minister, a point of order has been raised.

**The Hon. MARK BUTTIGIEG:** The member has a default mechanism of asking questions, which are then diligently answered by the Minister, then making a follow-up political point. When the Minister makes a counterpoint, he doesn't like it. I ask that you call him to order. If he wants to make a polemical point, then the Minister should be able to respond accordingly. If he doesn't, he should just ask questions.

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**The CHAIR:** Thank you. I hear the point of order. I am not going to call the member to order, but what I am going to say to everyone is Hansard are incredible.

**The Hon. PENNY SHARPE:** They are.

**The CHAIR:** So let's help them with their very important job, by not speaking over the top of each other.

**The Hon. WES FANG:** I will continue. Minister, Essential Energy collects levies from regional customers on behalf of the Government, for the Climate Change Fund and emission reductions programs. Is that correct?

**The Hon. PENNY SHARPE:** Yes. All distributors do.

**The Hon. WES FANG:** They all do?

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

**The Hon. WES FANG:** Even Ausgrid and Endeavour?

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

**The Hon. WES FANG:** Is it the same levy?

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

**The Hon. WES FANG:** Do you charge rural and regional customers more than you charge metropolitan customers?

**The Hon. PENNY SHARPE:** That's not a decision that I—let me just take that on notice, because I'm not sure.

**The Hon. WES FANG:** If you do charge regional customers more than metropolitan customers, do you think that's fair and equitable?

**The Hon. PENNY SHARPE:** Let me get the answer first.

**The Hon. WES FANG:** How have you communicated to consumers that they are paying these levies?

**The Hon. PENNY SHARPE:** There are requirements around rules for the disclosure on bills, and that is something that is set, I think, through—AER? AEMC, the market provider. I can get you more detail on that.

**The Hon. WES FANG:** Where are they articulated to consumers?

**The Hon. PENNY SHARPE:** I will get you more information on that.

**The Hon. WES FANG:** How much has been received from regional customers so far through Essential Energy?

**The Hon. PENNY SHARPE:** For what?

**The Hon. WES FANG:** For the levies for the Climate Change Fund and the emission reductions programs.

**The Hon. PENNY SHARPE:** Happy to get it for you. I don't have that to hand.

**The Hon. WES FANG:** What is the itemised projects that these levies fund? How much will they benefit regional communities? Have you got a list of the expenditures?

**The Hon. PENNY SHARPE:** If you want the work on the Climate Change Fund, which is through that, I'd encourage you to read the annual report that gives you all of the information that you have just asked.

**The Hon. WES FANG:** Will that tell me how much regional consumers have paid?

**The Hon. PENNY SHARPE:** Why don't you read it and then tell me?

**The Hon. WES FANG:** Minister, I'm asking you the question. That's what budget estimates is all about.

**The Hon. PENNY SHARPE:** I'm directing you to where—there's detailed information about the way in which the—

**The Hon. WES FANG:** You're the Minister. You should perhaps know. But that's okay. Minister—

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**The Hon. PENNY SHARPE:** You could also read the publicly available information, rather than doing that. But it's fine to provide—we can provide whatever you want. But I will just be directing you to the Climate Change Fund and the annual reports that provide all of the information you've just asked me.

**The Hon. WES FANG:** Minister, at the same you're hitting rural and regional consumers with levies and charges for these climate change funds and emissions-reduction programs, you're rolling out composite telegraph poles, aren't you?

**The Hon. PENNY SHARPE:** Sorry, I don't have anything to do with composite poles.

**The Hon. WES FANG:** No, but I guess the reduction in the ability—

**The Hon. PENNY SHARPE:** It's a matter for the energy companies.

**The Hon. WES FANG:** Essential Energy is rolling out these composite poles—

**The Hon. PENNY SHARPE:** Yes, because they're more fire resistant, but that's a matter for them. I don't direct them.

**The Hon. WES FANG:** That's the answer that I was looking for. Are they more fire resistant, Minister?

**The Hon. PENNY SHARPE:** You'd need to ask them. I don't direct them. My understanding is that they are getting out of timber poles by about 2030. That's a decision that has been made by a central—

**The Hon. WES FANG:** So it's not your concern if they're more fire resistant or not?

**The Hon. PENNY SHARPE:** My concern is that Essential Energy make their own decisions in terms of their own governance, and the decisions that they're making around fire protection. If that's the decision they've made, that's a matter for them. I have no say over that.

**The Hon. WES FANG:** Do composite poles have a higher carbon footprint than hardwood poles?

**The Hon. PENNY SHARPE:** They may well. I don't know.

**The Hon. WES FANG:** Is it somewhat problematic that you're on one hand charging consumers to fund a climate change levy and emission reductions programs, yet the composite poles that are being used actually have a higher carbon footprint than the hardwood poles that we can produce here?

**The Hon. PENNY SHARPE:** No, because if you have hardwood poles that get burnt down three times, they cost twice as much, and their carbon footprint—without having looked at the modelling—I suspect is probably a problem. What we're trying to do is make our energy system more resilient because we've got more frequent fires and we've got more bushfires, and Essential Energy have made that decision. But that's a matter for them.

**The Hon. WES FANG:** I'm going to table these documents—if I could pass them to the secretariat please. Minister, you'd be aware that not only in renewable energy zones but across New South Wales we're seeing in rural and regional communities the impacts of renewable energy projects. I've been talking with the Snowy Monaro council and they've got deep concerns about some of the projects that are being rolled out in their communities. I've just tabled to you the "briefing note", and I use the term in inverted commas because I think it's more of a veiled threat that Someva sent around the Coonerang Wind Farm. The council are deeply concerned about a private company threatening council and elected representatives like this.

**The Hon. PENNY SHARPE:** Sorry—this is fine. What is your question in relation to what I—this is a planning matter? That there's a proposal that I've—

**The Hon. WES FANG:** The question is what are you doing to ensure that cowboy renewable energy operators don't threaten councils and elected members in these matters?

**The Hon. PENNY SHARPE:** What's your allegation of threatening?

**The Hon. WES FANG:** The council themselves have indicated to me that they believe this is a threatening letter, and they are deeply concerned that you as Minister—

**The Hon. PENNY SHARPE:** How are they threatening them?

**The Hon. WES FANG:** —are allowing this sort of conduct from renewable energy companies.

**The Hon. PENNY SHARPE:** No, I don't allow that. Okay, there's a couple of things.

**The Hon. MARK LATHAM:** Where is the letter, Wes?

**The Hon. PENNY SHARPE:** What is the letter? What are you actually—

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**The Hon. WES FANG:** The briefing note—

**The Hon. PENNY SHARPE:** So it's a six-page briefing note.

**The Hon. WES FANG:** If you read it, it's not a briefing note; it's more like there are implied threats throughout the letter.

**The Hon. PENNY SHARPE:** This is a matter between one of the councils and a proponent of a project. What I would say is that I expect all proponents to operate properly, and that we have actually given more powers to the Energy and Water Ombudsman in relation to dealing with people once a project becomes real. I'm not sure of the status of where this is in the Planning Portal. This is a matter between councils. If you're asking me do I expect proponents to operate properly, of course I do.

**The Hon. WES FANG:** Thank you, Minister. I want to turn now to some of the matters of cost of living that have come up in relation to a lot of these issues that we've been discussing. On 18 February *The Daily Telegraph* published an article that indicated there was almost \$600 million approved for renewable energy projects. How much will this add to—

**The Hon. PENNY SHARPE:** Sorry, you're going to need to give me more information. Are you talking about the AER determination?

**The Hon. WES FANG:** The determination that New South Wales households and businesses would be paying up to \$600 million.

**The Hon. PENNY SHARPE:** Yes, that's the regulated rate. That's right.

**The Hon. WES FANG:** How much is that going to add to the bills of New South Wales households?

**The Hon. PENNY SHARPE:** I'd need to take it on notice in relation to overall, but this is part of the way in which the energy system works—which is that when you build new infrastructure it's paid for by consumers. It's gone through that process, through the AER, where they look to minimise the cost for consumers.

**The Hon. WES FANG:** In terms of the equipment that we are currently paying for that's already been installed—

**The Hon. PENNY SHARPE:** Which equipment?

**The Hon. WES FANG:** I'm going to get to that. At the last budget estimates, the supplementary one in December where you weren't in attendance, however Ms McCaughey from EnergyCo was, I asked her about what we're paying for in relation to the Waratah Super Battery. There's two aspects of this. We pay TransGrid effectively for the operation, is my understanding.

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

**The Hon. WES FANG:** We also pay Acacia for the actual battery.

**The Hon. PENNY SHARPE:** And we pay the full fee for that. At the moment, as you know, it's running at 50 per cent and that's what we pay for.

**The Hon. WES FANG:** The answer from Ms McCaughey, though, was that we are paying 100 per cent to TransGrid from the contract.

**The Hon. PENNY SHARPE:** Yes, correct, because energy needs to go down the transmission lines. Whether it's 10, 50 or 100, or whatever figure you want to put, going down there, it's still required. Yes, that's true.

**The Hon. WES FANG:** Why are we paying 100 per cent to TransGrid for a battery that's only operating at 50 per cent.

**The Hon. PENNY SHARPE:** Because the energy needs to go down the line regardless of how much of it there is.

**The Hon. WES FANG:** Why are consumers paying 100 per cent for a battery that is effectively half working.

**The Hon. PENNY SHARPE:** Because we need the battery, and we're not paying for the part of the battery that is not operational. Fifty per cent of it has been incredibly important over summer to have the battery operational, and it's working well. But it either goes down the wire or it doesn't. Wire yes, you get to transmit whatever's there, or wire no. I'm not quite sure the point that you're making. You either have a way to transmit the energy or you don't, and we have to pay for that regardless.

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**The Hon. WES FANG:** Part of the reason I was asking about it is because the second part of the question that I asked back in December was how much are we paying for the battery now that it's only 50 per cent operational. I didn't get an answer.

**The Hon. PENNY SHARPE:** It's 50 per cent of what—

**The Hon. WES FANG:** You've indicated that we're now getting—

**The Hon. PENNY SHARPE:** It's 50 per cent of what the contract—we're paying what the contract says, and if it's at 50 per cent it's at 50 per cent.

**The Hon. WES FANG:** So Acacia is only receiving \$70 million this financial year instead of \$140 million—

**The Hon. PENNY SHARPE:** Hannah is going to be here this afternoon. I suggest you ask her. She'll be able to tell you.

**The Hon. WES FANG:** Don't you know, Minister?

**The Hon. PENNY SHARPE:** I don't know the actual absolute dollar amount that's going in there. What I've told you is that we pay the full amount under the contract for Transgrid, and the amount that's operational in terms of the Waratah Super Battery is what we pay.

**The Hon. WES FANG:** Minister, you would be aware that my colleague Steph Cooke has raised the issue of the farmers around the West Wyalong region that have been impacted by the mapping.

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

**The Hon. WES FANG:** What have you done to help resolve that and provide some certainty for those farmers that have been practising coppicing for decades?

**The Hon. PENNY SHARPE:** More than you guys did in 12 years. But the point that I would make is—

**The Hon. WES FANG:** Minister, that is—I mean, you can be argumentative if you want.

**The Hon. PENNY SHARPE:** Can you let me finish? I can tell you what we do. You guys did nothing. So let's be clear. I can give you the history of this. I have worked really closely—

**The Hon. WES FANG:** I don't want the history, Minister. I've done that over a number of estimates.

**The Hon. PENNY SHARPE:** I'm trying to explain.

**The Hon. WES FANG:** I want an answer as to what it is.

**The Hon. Dr SARAH KAINE:** Point of order—

**The Hon. WES FANG:** Don't run protection.

**The Hon. Dr SARAH KAINE:** I'm not running protection, Wes, I'm just frustrated that I can't hear an answer.

**The CHAIR:** I will hear the point of order.

**The Hon. WES FANG:** I'm frustrated the Minister keeps talking about history instead of providing an answer.

**The Hon. Dr SARAH KAINE:** Perhaps stop talking and we can hear.

**The Hon. WES FANG:** She's getting the notes. She can answer it now.

**The CHAIR:** Excuse me, member.

**The Hon. PENNY SHARPE:** I could have answered it beforehand if you didn't interrupt me every five seconds.

**The Hon. WES FANG:** I don't need the history every time.

**The CHAIR:** I uphold the point of order. Just let the Minister answer the question.

**The Hon. PENNY SHARPE:** This is what you need to understand, that basically the mallee-broombush ecological community was listed in 2010. In 2010 any harvesting of the CEEC required approval to clear. This was known. The previous Government didn't actually take any action in relation to that for over a decade. I've got to actually say thank you to Steph Cooke; she has worked incredibly hard on this matter. She's worked really

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closely with the landholders there and I've had numerous meetings with her in relation to this matter. As a result of her work and talking to those farmers, there's a number of things that we're undertaking. I've requested that the Threatened Species Scientific Committee review the listing status of the mallee-broombush. The fundamental issue here is—and I totally get where the farmers are at with this.

They have been harvesting this broombush for a long period of time. It then got brought into the CEEC. That then suggested that wasn't sustainable and that was a problem. I've got the TSSC to review that and they're starting work on that. I've also had my department, DCCEEW, providing desktop map reviews and free on-ground surveys to actually work through the matters here. I'm very sympathetic to the farmers in relation to this matter. They showed me the photos of what it looked like in 1970 and what it looks like now. We are really trying to work through these issues. It's not straightforward. The idea that we just can open up a CEEC without thinking through that is not something the Government is willing to do. What we are really willing to do is work through that. The other part of it—and this is the important bit where people can actually get a pathway to be allowed to undertake this activity—is DCCEEW and LLS. You can ask Minister Moriarty about this too, if you want, but basically we're really encouraging landholders to seek approval through the Native Vegetation Panel. If they do that, they can undertake it. We've taken this matter extremely seriously.

**The Hon. WES FANG:** How long would that take? If they were applied, what's the time frame?

**The Hon. PENNY SHARPE:** One of the things I would say is that some of the farmers have just refused to participate in that process. There is a pathway to allow them to do this through the Native Vegetation Panel. I really would encourage people to do that. I can't tell you how long. That sits with LLS. I'm sorry, I can't tell you that.

**The Hon. WES FANG:** In terms of the work that you're doing, when might they see a result?

**The Hon. PENNY SHARPE:** I want it to be done as quickly as possible. As I said, there are some landholders who are not participating with that. I actually wrote to them in December and encouraged them to do that. There is a pathway through that. The TSSC matter probably takes a while. I'm not going to pretend. But that's sort of the bigger question about how we work with the CEEC. It's a very unusual situation, and we work through that.

**The Hon. WES FANG:** I appreciate that.

**The Hon. PENNY SHARPE:** But in the meantime, we have done all of that. It's really taken seriously.

**The Hon. WES FANG:** I've got one last question, if that's all right.

**The Hon. PENNY SHARPE:** And Steph Cooke's been excellent.

**The Hon. WES FANG:** She has been excellent.

**The CHAIR:** She's briefed all of us.

**The Hon. WES FANG:** In relation to the Vast Solar site that is out near Wellington that caught fire and has now been abandoned by the developer, obviously—

**The Hon. PENNY SHARPE:** Sorry, which one are you talking about?

**The Hon. WES FANG:** The solar farm near Wellington that caught fire just before Christmas.

**The Hon. PENNY SHARPE:** What's it called, though? There's a few of them, so which one is it?

**The Hon. WES FANG:** The one that's been abandoned.

**The Hon. PENNY SHARPE:** What do you mean by "abandoned"?

**The Hon. WES FANG:** Well, the developers left it. I'm asking whether the EPA is going to be instructed to go and clean it up, given that the developer has effectively walked away.

**The Hon. PENNY SHARPE:** Let me take that on notice. I'm aware of the fire issue. It was actually a grass fire, it was not—my advice is that it had nothing to do with the solar farm. The actual update of "abandoned", I'm not sure where that is up to. Let me take that advice and then I'll come back to you.

**The Hon. MARK LATHAM:** Minister, always good to see you here at this forum and others. You're a very strong advocate for your portfolio in Cabinet, aren't you?

**The Hon. PENNY SHARPE:** I'd like to think so, yes.

**The Hon. MARK LATHAM:** Good. And also for your beliefs in general, for areas broader?

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**The Hon. PENNY SHARPE:** Let's just say no-one's ever said that I lack an opinion.

**The Hon. MARK LATHAM:** Yes, I agree with that thoroughly. I can attest to that from personal experience. Minister, in the Energy portfolio, protest laws in New South Wales have become relevant because of organised resistance in the bush to the renewables rollout, as Mr Fang has pointed out. Has the Government got any plans to apply the new protest laws against the Palestinian Action Group to renewable energy protests in country towns?

**The Hon. PENNY SHARPE:** That would not be a matter for me. That's a matter for Cabinet—but, in particular, it would be a matter for the Attorney General—so I can't answer that.

**The Hon. MARK LATHAM:** The Premier has repeatedly said in public that there might be a few backbench rebels in the Government opposed to the protest laws, but his Cabinet is 100 per cent behind him on this issue regarding the protests. You would agree with that?

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

**The Hon. MARK LATHAM:** Furthermore, the Premier has been critiqued by a senior Labor figure, no less, in the Herald on Saturday, who said:

Cabinet ministers from both the Right and the Left seem to have no capacity to challenge the premier or put forward new policies ... And that's particularly with regard to these protest laws. Do you think that's true?

**The Hon. PENNY SHARPE:** No. Without divulging the confidentiality of Cabinet, I think that we have one of the most united cabinets that New South Wales has ever seen and that there is robust debate, where people are able to raise a range of issues. It's actually a very good place to work within. I've worked in worse.

**The Hon. MARK LATHAM:** Having yourself walked across the Harbour Bridge in support of the Palestinian Action Group, you opposed, then, the post-Bondi protest laws in Cabinet?

**The Hon. MARK BUTTIGIEG:** Point of order—

**The Hon. PENNY SHARPE:** You know I can't talk to you about what I've said in Cabinet.

**The Hon. MARK LATHAM:** You can't say.

**The Hon. PENNY SHARPE:** Won't say, because it's part of Cabinet confidentiality.

**The CHAIR:** I'll hear the point of order.

**The Hon. MARK BUTTIGIEG:** With all respect to the member, this is well outside the Minister's portfolio, and I don't think it's appropriate, given the remit of budget estimates.

**The Hon. JOHN RUDDICK:** Budget estimates is fairly broad.

**The Hon. MARK LATHAM:** It's a popular question, though.

**The Hon. JOHN RUDDICK:** She's the Leader of the Government.

**The Hon. PENNY SHARPE:** You don't get to ask me about the Leader of the Government stuff, though. That is not what this Committee is for.

**The CHAIR:** There is very, very broad latitude. I do note that Mr Latham did start his line of questioning about protest laws in relation to renewable energy, so perhaps that was where this was going, but I would ask the member to—

**The Hon. MARK LATHAM:** The Minister has answered: She won't divulge Cabinet details.

**The CHAIR:** I appreciate that.

**The Hon. PENNY SHARPE:** Nice try—not going to get there.

**The Hon. MARK LATHAM:** Are you surprised that the Premier has divulged Cabinet in confidence, that 100 per cent of the Ministers supported him on the protest laws?

**The Hon. PENNY SHARPE:** I think that is totally fine. He's the boss. He can do what he likes.

**The Hon. MARK LATHAM:** That's the Bill Shorten position, which is fine. With regard to the Waratah Super Battery, when will the other half of capacity come online?

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**The Hon. PENNY SHARPE:** Good question. I can get you the detail on that. There were issues with two of the three transformers. One of them is completely cactus. The other one had some damage to it. I think it will take a little while, but I can get you more detail on that.

**The Hon. MARK LATHAM:** The transformer damage was described as irreparable. Is there a prospect that—

**The Hon. PENNY SHARPE:** Yes, it'll need to be replaced.

**The Hon. MARK LATHAM:** What's the extent of the risk factor that it would happen to other elements of the battery, like the 50 per cent that's operating?

**The Hon. PENNY SHARPE:** We believe that'll be okay. I think the thing to understand with the Waratah Super Battery is it was the first of its kind in terms of these big batteries. They've become more common over time. Getting it up to that scale—it's currently, I think, the most powerful battery in the world, although it won't be for long, because there are so many others that are coming onboard. It is part of the process of building a new grid, building new things into the grid that are sort of novel. It's very large. Obviously we want it fixed as soon as possible, but I don't anticipate—

**The Hon. MARK LATHAM:** You think it's a one-off?

**The Hon. PENNY SHARPE:** I hope so, obviously, but we've got a lot of smarter people than I who do all the tech work. Trialling a very large, powerful battery like that, the amount of energy that it moves around—hopefully we can get it fixed. Here we go: I am told it's going to be fully operational in 2026, so by the end of this year.

**The Hon. MARK LATHAM:** So around November, December?

**The Hon. PENNY SHARPE:** That's what I'm told. Take that advice. That's great.

**The Hon. MARK LATHAM:** You mentioned earlier on that all the new infrastructure in the transition is paid for by consumers. What's the overall impact of that on household electricity bills?

**The Hon. PENNY SHARPE:** It sort of comes in different phases. Mr Fang was referring to the AER determination, which for this year is around \$600 million. That's over time.

**The Hon. MARK LATHAM:** Hang on, here comes the answer. Can you table that?

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

**The Hon. WES FANG:** Transparency, huh, Mark?

**The CHAIR:** Nice try, Mr Latham.

**The Hon. PENNY SHARPE:** Nice try.

**The Hon. MARK LATHAM:** Well, that's the answer. Can you take it on notice?

**The Hon. PENNY SHARPE:** Yes, I can give it to you, but I know for this year it's \$600 million. But they're annual determinations, so I can't actually—I'm not trying to be tricky.

**The Hon. MARK LATHAM:** No, I know. If we can get 2024, 2025 and 2026 annual determinations of impact on household electricity bills, that would be appreciated.

**The Hon. PENNY SHARPE:** Yes, I should be able to provide those.

**The Hon. MARK LATHAM:** Thank you, Minister. Are there any rollout transition projects in New South Wales that are on time and on budget?

**The Hon. PENNY SHARPE:** Again, there's a lot of different projects. Yes, there are some that have been delivered on that. There's no doubt there are some that are delayed for a range of reasons: cost, workforce, planning. We've worked very hard to bring down the planning arrangements around that, but I can work that out for you.

**The Hon. MARK LATHAM:** On notice, if you can give us a breakdown of those that are on time and on budget and those that aren't.

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

**The Hon. MARK LATHAM:** And how many community batteries are operating now in New South Wales?

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**The Hon. PENNY SHARPE:** I'd have to take that on notice. A lot. There's a lot more coming, and it depends on what you mean by community batteries.

**The Hon. MARK LATHAM:** Well, collective, neighbourhood, suburban-type batteries—not just one home.

**The Hon. PENNY SHARPE:** I'm glad that you asked. I'm holding a graph that shows the battery installations since July to this year. This is the household batteries that are going in. In New South Wales there's over 60,000 households. Those are the household energy batteries. A lot of them are attached to VPPs, so it's a bit hard to do that.

**The Hon. MARK LATHAM:** But suburban neighbourhood ones?

**The Hon. PENNY SHARPE:** No, these are just the ones for individual households.

**The Hon. MARK LATHAM:** Yes, but have you got a slide show for community ones?

**The Hon. PENNY SHARPE:** I don't have a slide show, but I could probably get you one. I could bring it into Parliament next time.

**The Hon. MARK LATHAM:** Thank you. I'd love that.

**The Hon. PENNY SHARPE:** The community battery stuff is actually really exciting. The distribution networks are putting them sometimes in parks, sometimes in different places. We're also then doing the bigger batteries. The exciting thing about batteries is that the price, like solar, has come down massively. They really are holding up and stabilising the grid and allowing us to put more renewables in. That's why we had a good summer, because of that.

**The Hon. MARK LATHAM:** Also, can we get the number of pumped hydro projects in New South Wales that have been approved and operational since the road map was commenced?

**The Hon. PENNY SHARPE:** There's obviously Snowy. I'll get you the others. There's a few that are around.

**The Hon. WES FANG:** I think he said "operational".

**The Hon. PENNY SHARPE:** It's approved and it's being built.

**The Hon. MARK LATHAM:** I know. On Snowy, has New South Wales got any advice when it will produce its first gigawatt of electricity?

**The Hon. PENNY SHARPE:** I'd have to take it on notice. Was it 2028?

**ANTHONY LEAN:** They're forecasting the end of 2028.

**The Hon. MARK LATHAM:** Okay. What's the status of the Kurri gas peaking plant, which has been much spoken about?

**The Hon. PENNY SHARPE:** I think—if it's not operational, it's in commissioning.

**The Hon. MARK LATHAM:** Have we got an estimate of when?

**TONY CHAPPEL:** It is undergoing commissioning.

**The Hon. PENNY SHARPE:** It's in commissioning.

**The Hon. MARK LATHAM:** I know it's been commissioned. That's not—

**The Hon. PENNY SHARPE:** No, it's actually the test—it's a lot more far advanced than it was.

**The Hon. MARK LATHAM:** Oh, okay. It's about to start up.

**The Hon. PENNY SHARPE:** It's not just building it. I know that previously we've said it's been on its way—let me just get when we're expected to be operational—but it's pretty close, I think.

**The Hon. MARK LATHAM:** Once you factor in some of these issues about the backup power coming online, what's the projection for how long Eraring stays open? Is it indefinite?

**The Hon. PENNY SHARPE:** No. It's a matter for Origin in terms of when it stays open. Origin has given its market notice which extended it to, I think, April 2029. That is when we anticipate that it will close.

**The Hon. MARK LATHAM:** How much hydrogen has been produced in New South Wales since Matt Kean's legislation in 2022?

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**The Hon. PENNY SHARPE:** You'd be aware that we just changed the targets in relation to hydrogen. Let me come back with exactly—

**The Hon. MARK LATHAM:** How did you change them? You downgraded them from something to zero?

**The Hon. PENNY SHARPE:** We did. The hydrogen scheme, which is the Renewable Fuel Scheme, we didn't want people to be paying for hydrogen that isn't available. There's no doubt that hydrogen has been challenging. We have some good news in the hydrogen space. Up in Moree, there are people doing work around hydrogen and low-emissions ammonia for fertilisers. If that works, it's going to be a real game changer. We have the hydrogen hub, which is at Orica. In terms of how much has been produced, not very much green hydrogen, no.

**The Hon. MARK LATHAM:** Is that "not very much" actually zero?

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

**The Hon. MARK LATHAM:** Is there any expectation that's going to change?

**The Hon. PENNY SHARPE:** Yes, that's why we're continuing on with it. But there's no doubt there have been challenges with hydrogen around the world.

**The Hon. MARK LATHAM:** Are the government subsidies ongoing? Kean and Perrottet threw a lot of money at it.

**The Hon. PENNY SHARPE:** There is some funding for it, but if you don't deliver, you don't get the money.

**The Hon. MARK LATHAM:** Sorry?

**The Hon. PENNY SHARPE:** I know that you've asked me this before. If you don't deliver, you don't get the money. Some money was allocated to projects, but because they have not been delivered, they have not been funded.

**The Hon. MARK LATHAM:** Minister, I'm sure you're a great supporter of *Budget Paper No. 02 Performance and Wellbeing Statement* page 9-1 stating that New South Wales is a lot hotter now in temperatures than it was in the period 1961 to 1990.

**The Hon. PENNY SHARPE:** I'm not a fan of it, but it's true.

**The Hon. MARK LATHAM:** No, but you support the data.

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

**The Hon. MARK LATHAM:** What role did you or your department have in developing that data that's in the budget papers?

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

**The Hon. MARK LATHAM:** Can you table the post-it note?

**The Hon. PENNY SHARPE:** This is about Kurri Kurri, which is being commissioned in Q1, so it's close. Let me take that on notice. Obviously all of the departments have input into the wellbeing stuff; they work with Treasury on it.

**The Hon. MARK LATHAM:** Is it comparing apples with apples given that in the post-1990 period, 23 new BOM weather stations have opened, mostly in urban heat areas like Canterbury, Gosford, Holsworthy aerodrome, Maitland, Newcastle University, Penrith, Richmond and on the list goes? What calculations have been made about the impact of the new weather stations measuring in areas that are hotter than anything that was in the pre-1990 period?

**The Hon. JOHN RUDDICK:** Good question.

**The Hon. MARK LATHAM:** Very good question.

**The Hon. PENNY SHARPE:** I'll find out.

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

**The Hon. PENNY SHARPE:** Yes, very happy to take that.

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**The Hon. MARK LATHAM:** If it's apples against apples, fantastic, it's valid data. If it's apples against oranges—

**The Hon. PENNY SHARPE:** I think that average heat across a wide range—and there's no doubt that the issue around urban heat in Western Sydney is a huge one and would show different patterns. We know that in any given day, Penrith—

**The Hon. MARK LATHAM:** Mount Annan near me.

**The Hon. PENNY SHARPE:** —can be like 10 to 15 degrees hotter than the rest.

**The Hon. MARK LATHAM:** Yes, we love it hot out there.

**The Hon. PENNY SHARPE:** Not that hot. No-one likes it at 45.

**The Hon. MARK LATHAM:** Some days we have aircon. That's also on the notice paper to you.

**The Hon. PENNY SHARPE:** Okay. We'll get you an answer.

**The CHAIR:** Minister, given the need for further economic diversification in the Hunter, do you think there's an opportunity cost in not listing Ravensworth at this point lost, noting that this place has been described as a potential cultural tourism anchor point and that cultural tourism has been described by the former chair of the NSW Heritage Council as the "fastest and most lucrative area of growth for tourism"?

**The Hon. PENNY SHARPE:** Sorry, what was the beginning?

**The CHAIR:** Ravensworth.

**The Hon. PENNY SHARPE:** Yes, I know all about Ravensworth.

**The CHAIR:** It's about opportunities lost in terms of it not being listed yet on the Heritage Register.

**The Hon. MARK LATHAM:** It's a dump. It's a complete and absolute dump.

**The Hon. PENNY SHARPE:** As you know, it's still under consideration. Various heritage items have a range of opportunities there. There's no doubt that it's an important place. It is a little bit isolated. The opportunities for heritage-listed items are important and we obviously take them seriously; it's why I have listed so many other items. But the Ravensworth question is still under consideration.

**The CHAIR:** It has been under consideration for a long time, Minister.

**The Hon. PENNY SHARPE:** I know. I think it's the only one where I've not met the statutory requirements.

**The CHAIR:** Is there anything that I can tell people that just keep asking me to ask you this question?

**The Hon. PENNY SHARPE:** Every time I go to the Hunter, I think this. Is it *The Singleton Argus*? There's a really good journo there; she asks me every time.

**The CHAIR:** She does.

**The Hon. PENNY SHARPE:** I want to get it done as soon as possible, but it's still under consideration.

**The CHAIR:** And you have all of the advice that you need at this point in time?

**The Hon. PENNY SHARPE:** I have literally got over 2,000 pages of advice on this.

**The CHAIR:** And that includes the section 10, the application that provided that compelling evidence?

**The Hon. PENNY SHARPE:** Yes. There is a lot of information.

**The CHAIR:** At some point, are you willing to say—

**The Hon. PENNY SHARPE:** I will determine it; there's no doubt about that.

**The CHAIR:** I know we talked about the koala strategy and that framework perhaps changing. But more specifically just in relation to translocations, and obviously the experience that we've had with that tragic project at the South East Forest, what's the current status?

**The Hon. PENNY SHARPE:** Currently translocations are not occurring. They've been paused as a result of the review. Just to give you an update, my understanding is that the review will be coming. It's kind of done. There has been a review of that, and there will be lessons learnt as a result of that. I will provide that as soon as I can. But there are no translocations occurring at the moment until that's finalised.

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**The CHAIR:** I definitely have some things for Mr Lean later about the details around that. In terms of that, though, is it your understanding that once that review is done and tabled, planning for translocations will continue?

**The Hon. PENNY SHARPE:** Yes, I believe they will. I think translocations have an important role. We do translocations in many places. There have been successful translocations. I think that there is obviously in this one a range of questions about what happened. I really do have full confidence that the review has been done properly and that it will show what was there. Work is always ongoing. There are a lot of logistics that go into translocations. There are a lot of things that need to be thought about. You might want to explore it with my department this afternoon. I am sure there's probably still some work going on there, but none of them are occurring because we want to make sure that we learn the lessons out of this review. Whether there's a threshold question about whether we continue that, we're not at that point yet.

**The CHAIR:** Is it your understanding at this point—and I will speak with Mr Lean about the detail—that the cause of death may have something to do with the fact that the leaves and the nutrition were not—

**The Hon. PENNY SHARPE:** It sounds like it's a number of things. Again, I don't want to pre-empt it. But my understanding is, as you know, koalas are basically one meal away from death all the time. They're chronically dehydrated. They're very fussy about what they eat. The nutrition with which they live on is marginal often at best, and there were also weather conditions and those kinds of things. I wouldn't want to pre-empt it. I think all of those questions will be canvassed, and I think we'll probably learn a lot out of that.

**The CHAIR:** Land clearing—and I'm just in particular referring to the analysis that the Wentworth Group recently did. Is land clearing still a priority for—I know it is for you. Is it a priority for your Government?

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

**The CHAIR:** So that commitment that we will end runaway land clearing and we'll do everything we can, that is still—

**The Hon. PENNY SHARPE:** Yes. Obviously that was a key election commitment, and I obviously work closely with Minister Moriarty in relation to that. A lot of the levers come out of the Biodiversity Conservation Act and the way that operates with LLS and working through codes and those kinds of things. Yes, we genuinely think that the land clearing problem is serious and that we need to find a way to curb it for biodiversity, habitat and emissions. The good news is that we now have more tools in the toolbox to support landholders in actually financially supporting them around that, which I think is a big change.

**The CHAIR:** Will we see more money going to that particular stream of work?

**The Hon. PENNY SHARPE:** There are a lot more mechanisms. Nature repair, what the Federal Government is doing, ACCUs—there is a whole range of different things, and that's part of it. I'm not apportioning any blame, but previously I think there was a bit of a view that farmers just have to keep this land and then not change it in relation to their businesses. I think there are already a lot of farmers who are doing private land conservation, who have ACCUs and who are doing soil work where they find that they can attract a new income stream by doing that work, and I think we need to think about that. But, more broadly, yes, we are very serious about the land clearing work. You may be aware that the NRC has a bunch of work that's being undertaken. We have farmers and scientists represented on that.

**The CHAIR:** I know at the last estimates you referred to the work the NRC are doing. Have they got a delivery time frame for that big tranche of work?

**The Hon. PENNY SHARPE:** Good question. Let me find out. I think they're doing three pieces of work. I just can't remember off the top of my head where all of those are up to. That obviously informs our work, and we'll continue to do that. Again, how we're dealing with the changes to the Biodiversity Conservation Act is another part of that. It is a matter that we do take seriously. The previous Labor Government got that under control and worked through that. It's now been opened up. It is an area that we think is serious enough that we need to work through it.

**The CHAIR:** Is it your understanding from your discussions with Minister Moriarty that we will also see legislative reform to the LLS Act and codes?

**The Hon. PENNY SHARPE:** You'll need to—

**The CHAIR:** I'll talk with her about it.

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**The Hon. PENNY SHARPE:** I think that's right. It was a serious commitment at the last election. It's one that we're working through. We have a few different levers. It's taken longer. When I see the SLATS data and we see the trajectory—it continues to increase—we need to work through that, but we're on it.

**The CHAIR:** Minister, with the work that has recently been undertaken particularly by Parliamentary Secretary Trish Doyle and the wildlife rehab sector—and I know we've talked about legislation and you've taken something on notice for me about if and when we'll see specific legislation—will you rule out WIRES, for example, from ever being in a position where they're responsible for compliance in relation to wildlife rehabilitation?

**The Hon. PENNY SHARPE:** I don't know that I'm in a position to rule it out. It's not our intention to proceed with legislation, though. I think when you asked me about that, I said I needed to go back and check. But that's not really our intention. What we want to do—and thanks to Trish for the work that she did. Wildlife care is amazing. There's about 8,000 of them across the State. They do an incredible job. I'm pleased that we did the review. We're putting some more money into supporting them to do their work. I'm speculating a bit at this point. But, no, it's not really our intention to do legislation. What we have set up through that review and engagement with the sector is something that we see as a strong partnership that will continue.

**The CHAIR:** It's also fair to say that it's not your intention at this point to put WIRES in any particular kind of legislative compliance role?

**The Hon. PENNY SHARPE:** Not that I'm aware of, no. Someone will tell me if there's something going on that I'm unaware of. But, no, I don't believe so.

**The CHAIR:** I introduced and second-read the cat containment bill. I have been quite surprised—perhaps in a naive way—by how much support I've received for that, from so many places I was not expecting to receive support. Also, a number of councils are putting motions through right now. Your Government is very supportive of voluntary actions, but would you be open to some very small regulatory treatments if councils are requesting your Government for them, which are not punitive in the traditional sense but they're complementary to your voluntary programs?

**The Hon. PENNY SHARPE:** It's not a matter for me. The cat containment stuff sits a lot within local government and also with Minister Moriarty as well. You would be aware that we are targeting feral cats in particular. The way in which domestic cats are managed is not something that sits with me. It's a conversation that people are having with us all the time. I'm not quite sure where the parliamentary inquiry is up to. Has it reported yet?

**The CHAIR:** Yes, it has reported.

**The Hon. PENNY SHARPE:** So there'll be some input, in terms of the Government response around that. But it doesn't really sit with me. Yes, I'm aware of all of the issues. My mother lives in Canberra and her old cat is a grandfather cat, so he's allowed to wander around. He's so decrepit, I don't think he's killing anything. That's where they're at.

I would also raise an issue, though, that the RSPCA have raised with me. I've done some good work with them. They are quite concerned about mandatory regimes when it comes to cat containment. Some of the experience that they're concerned about—I don't want to speak for them, but they worry that it means more people abandon more cats and they end up with a worse outcome, in terms of the euthanasia rate of excess cats in the system. I don't want to speak for them but, as we're considering all these matters, I think that will be weighed up. Talk to Ron.

**The Hon. WES FANG:** Minister, I may have said "Vast Solar" before; I believe it's Vast Renewables. The Vast Renewables site in Jemalong is the site that has been abandoned.

**The Hon. PENNY SHARPE:** When you say "abandoned"—sorry, I'm just not across the details.

**The Hon. WES FANG:** The company has gone into administration. It's been impacted by fire. It's effectively fire impacted and has been left, so there's glass strewn everywhere. There's shattered solar panels. Where you've got a company that's gone into administration, who is responsible for cleaning up the mess?

**The Hon. PENNY SHARPE:** There'd be requirements in terms of the approvals and those kinds of things. As you would know, it's a bit complicated because there's the host farmer—I know this is a whole issue; this is the conversation about decommission bonds and those kinds of things. I don't want to speculate without knowing the information, so I'm happy to come back to you.

**The Hon. WES FANG:** In terms of the EPA becoming involved, how long before the EPA would seek to ensure that these impacts—

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**The Hon. PENNY SHARPE:** Let me take it on notice.

**The Hon. WES FANG:** That's fine.

**The Hon. PENNY SHARPE:** I know it's an issue. I'm not trying to be tricky. I just don't want to give you incorrect information. I get in trouble if I just start speculating and people start sending me Post-it notes.

**The Hon. WES FANG:** Me too. My last point is—noting I've got a minute left—I note there was a drop to the paper just before estimates in relation to the number of properties that have solar panels.

**The Hon. PENNY SHARPE:** Yes, totally awesome! Let's talk about that! It's so good. I've got the whole list.

**The Hon. WES FANG:** I note that your department dropped a number of—

**The Hon. PENNY SHARPE:** No, it wasn't my department. It was actually my office.

**The Hon. WES FANG:** Even closer to home then, shall we say.

**The Hon. PENNY SHARPE:** Yes, I know all about it. Let's talk about it. It's so good.

**The Hon. WES FANG:** In terms of the drop, you would agree that, effectively, the vast majority of the highest percentage electorates—rural and regional communities have the highest number of solar panels?

**The Hon. PENNY SHARPE:** Yes. That's the whole point.

**The Hon. WES FANG:** Does that not indicate to you that, again, rural and regional communities are carrying their fair share of the load and that you need to have more rollout in metropolitan areas before you start shoving more projects in our communities?

**The Hon. PENNY SHARPE:** That's a very interesting way to think about it.

**The Hon. WES FANG:** It is, but it's actually the way people feel.

**The Hon. PENNY SHARPE:** Sorry, I think the proof is in the pudding. I think we said that nine out of the top 10 electorates are in regional areas; there's one in Western Sydney. I actually looked further down the list: I think out of 25, 22 are in regional areas. People are not carrying a load. People have actually put rooftop solar on their roofs in a huge amount of areas. They're saving up to around \$1,400 a year in terms of their bills. They have made those choices—fine. I don't really understand the other assertions that you're trying to draw into this. What I want to see is where rooftop—

**The Hon. WES FANG:** Make Sydney people put them on their roofs first.

**The Hon. PENNY SHARPE:** Are you saying that people who put rooftop solar are somehow being coerced and don't like it?

**The Hon. WES FANG:** No, I'm saying that if you want to put rooftop solar anywhere, put some on Sydney houses and Sydney factories.

**The Hon. PENNY SHARPE:** Absolutely.

**The Hon. WES FANG:** Put your batteries here and don't run the transmission lines in our communities.

**The Hon. PENNY SHARPE:** Actually, I've got another graph. Let me use my other graph. This is an awesome graph. It's a bit hard to see, so I will table it. These are the changes from 2024 to 2025. It shows the changes in our energy system. The black bit is coal. That's down 365 megawatts. What you see here is that gas is down by 270 megawatts. What we see here is an increase in wind generation of 932 and in rooftop solar, which is the second biggest increase in terms of our generation, of 353 megawatts—and grid, 324. By the way, that means we've also got an additional 756 megawatts in the system. That is why this summer we did not have lack of reserve notices, even though we had three or four days of over 40 degrees. As the energy Minister, every summer holidays I used to worry that I was going to have to go and we'd be worried about that. The story this tells us is that renewables are backing up the grid. They're being integrated into the grid. They're working extremely well.

**The Hon. WES FANG:** Damned lies and statistics, Minister.

**The Hon. PENNY SHARPE:** Sorry, I thought you liked the stats.

**The Hon. WES FANG:** You need the total amount of power generated by coal and the total amount of power generated by wind and solar on a graph, and then I'll look at it.

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**The Hon. PENNY SHARPE:** The one thing I will tell you is that it used to be 80 per cent coal, and it is now down to 65 per cent.

**The CHAIR:** We are running out of time.

**The Hon. PENNY SHARPE:** You should be excited. This is unreal.

**The CHAIR:** Mr Ruddick has one more question. I have one more question. We're running out of time.

**The Hon. JOHN RUDDICK:** On Mount Warning, the Government has announced that it's going to be reopened in about 18 months. How much is that going to cost? Why is it going to take 18 months? Are you aware that the locals have offered to voluntarily repair the track at no cost to the taxpayer and will do it very quickly? They'll do it better.

**The Hon. PENNY SHARPE:** I'm aware of the offer. There are still issues that need to be worked through in terms of the access. It is an Aboriginal place—we talked about this earlier today—that has been declared. I've also been working closely with the Wollumbin committee in relation to this. We need to work through those matters. I am aware of that. Within the way that Aboriginal places operate, you can't just let people in to build the track. I know people have made that offer. That's very nice of them. There's no way that can get approved in relation to that system.

**The Hon. JOHN RUDDICK:** How much is it going to cost?

**The Hon. PENNY SHARPE:** It depends on the treatment in terms of the safety things.

**The Hon. JOHN RUDDICK:** What's a ballpark?

**The Hon. PENNY SHARPE:** I don't know. You can ask the department this afternoon.

**The CHAIR:** Minister, the very final question I have is about the application for the burning of timber for electricity generation at Redbank. It's currently in the courts. It is being fought. I'm just curious how it happened, when your Government's policy, or your party's policy from your platform in 2024, was—

**The Hon. PENNY SHARPE:** I'm glad you read the NSW Labor policy platform. Excellent.

**The CHAIR:** I didn't do it by choice. Someone threw it to me.

**The Hon. MARK LATHAM:** Someone needs to, don't they?

**The Hon. PENNY SHARPE:** I have to read it. It's very important.

**The CHAIR:** But, seriously, Minister, it says, "Labor recognises burning of"—

**The Hon. PENNY SHARPE:** I'm familiar with the platform.

**The CHAIR:** I know. And it literally says that you will prohibit the burning of any forests and cleared vegetation for electricity. How has this happened on our watch now?

**The Hon. PENNY SHARPE:** As you know, there is a regulation. Mr Chappel can take you through all of that. It's allowed under some circumstances. The point in terms of Redbank that I would say is that it is being dealt with. I don't want to comment any further about it. I'm aware of the platform. We're aware of the regulation which prohibits it. As you know, there are some circumstances where it's allowed. That's how it happens.

**The CHAIR:** We are now in Government time.

**The Hon. MARK BUTTIGIEG:** Does the Minister have anything to elaborate on?

**The Hon. PENNY SHARPE:** Good question. Here is where they tell me if there's anything I've been too loose with. This is just an update on your questions around where things appear on bills. Basically, the levies are imposed through the DNSPs, the distribution networks—so Ausgrid, Endeavour and Essential. They recover that through network charges. It's not itemised as a separate arrangement.

**The Hon. WES FANG:** You told me it was on the bill.

**The Hon. PENNY SHARPE:** This is why I'm saying—gee, you got me.

**The Hon. WES FANG:** I got you a number of times today, but anyway.

**The Hon. PENNY SHARPE:** I look forward to the videos. Twenty-three likes, you know—all good.

**The Hon. MARK LATHAM:** You'll get more if you go the Wang.

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**The Hon. PENNY SHARPE:** In relation to the DNSPs, it's based on population in terms of the way in which it's distributed.

**The Hon. MARK LATHAM:** Give us a "Mr Wang".

**The Hon. PENNY SHARPE:** No, I won't do that. I'll leave that to Minister Kamper. The other part of it is, in relation to the charges, there's actually a requirement that no more than 25 per cent can be passed on through residential customers. We actually have that in place. Again, I'd refer you back to the Climate Change Fund and the annual report for the rest of your questions.

**The Hon. WES FANG:** It isn't there. We just had a look.

**The CHAIR:** Are there any other questions?

**The Hon. PENNY SHARPE:** I've just given you the information you've asked for.

**The Hon. WES FANG:** No, I wanted to know—

**The Hon. PENNY SHARPE:** Hang on. This is my time. Can people just let me diligently respond to the questions that have been asked.

**The CHAIR:** Mr Fang, please restrain.

**The Hon. WES FANG:** I will try.

**The Hon. PENNY SHARPE:** No, we don't want to deal with that. I think I'm done. Thank you very much.

**The CHAIR:** Minister, you did not bring any pictures of beautiful threatened species today.

**The Hon. PENNY SHARPE:** No, but there is a new swamp skink that we can talk about. The member for Bega is extremely excited about this. In one of the nature reserves there'd literally only been one recorded sighting of this particular swamp skink. We had ecologists go and do their amazing work in the wet, in the cold and in the hot. They found four of these. They're critically endangered. It's amazing that it looks like habitat protection means it's improving. I also do a shout-out—if we want to talk about exciting animals—to the Leadbeater's possum. We thought it was Victorian. We'd previously only found a skeleton of one in the caves around Kosciuszko. There's the excellent work of Linda Groom and their team. They've got cameras in the park. We're now spotting this very rare possum that is now coming back to life as the repair and the work on habitat in Kosciuszko is being undertaken. It's really great news.

**The CHAIR:** Thank you, Minister Sharpe, for attending the hearing. We are finished with your questioning. We will now break for lunch and return at 2.00 p.m. for further questioning.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

**Mr STEPHEN BEAMAN**, Executive Director, Regulatory Practice and Services, NSW Environment Protection Authority, on former oath

**Ms ALEX GEDDES**, Executive Director, Programs and Innovation, NSW Environment Protection Authority, on former oath

**Mr BRENDAN BRUCE**, Deputy Secretary, Conservation Programs, Heritage and Regulation, Department of Climate Change, Energy, the Environment and Water, on former affirmation

**Mr SAM KIDMAN**, Executive Director, Heritage NSW, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

**Dr ERIN GIULIANI**, Chief Executive Officer, Biodiversity Conservation Trust, on former affirmation

**Ms KIM CURTAIN**, Deputy Secretary, Energy, Climate Change and Sustainability, Department of Climate Change, Energy, the Environment and Water, on former affirmation

**Ms HANNAH McCAUGHEY**, Chief Executive Officer, Energy Corporation of NSW, on former affirmation

**Ms ALEX GRAHAM**, Deputy Secretary, National Parks and Wildlife Service, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

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**Ms ALISON PEPPER**, Deputy Secretary, Strategic Policy, Science and Engagement, Department of Climate Change, Energy, the Environment and Water, on former oath

**Ms TRISH HARRUP**, Executive Director, Conservation and Aboriginal Partnerships, National Parks and Wildlife Service, Department of Climate Change, Energy, the Environment and Water, on former affirmation

**Mr NICHOLAS ROWLEY**, Chair, Net Zero Commission, on former affirmation

**The CHAIR:** Hello and welcome back. Welcome to our new witnesses for the afternoon session. Thank you for making the time to come today and give evidence.

**The Hon. JACQUI MUNRO:** Thank you all for being here. My first question is about national parks and wildlife camping—I guess it is through you—and also the permissible activities that are associated with over 800 national parks sites. I understand that a new activity location condition grid or matrix was released at the end of last year in November, which basically lists all the different types of activities that may be permitted or are not permitted or are not applicable to a site, relating to things like camping, trail running, river sledding, abseiling, and the list goes on. It also includes motorcycle tours and quad biking. I am wondering how often this matrix is released or updated.

**ALEX GRAHAM:** I will have to take that on notice as to how often it is updated. However, it was appropriate to update it at that time, as we are seeking new leaseholders to carry out various tour operating activities on national parks.

**The Hon. JACQUI MUNRO:** Is that because every operator is on the same cycle?

**ALEX GRAHAM:** We are looking to set them on the same cycle for the licence holders.

**The Hon. JACQUI MUNRO:** For example, at 1 July this year it will be the start of every contract and that contract will run for two years?

**ALEX GRAHAM:** I'll need to confirm exactly when the start date will be. However, the operators will be given an option of one or three years initially and, by mutual agreement, an option for a further three years.

**The Hon. JACQUI MUNRO:** I was interested to see the number of sites that were associated with both quad biking and motorcycle tours. From my count, 72 sites across New South Wales were listed as being permissible for quad bike activities and 256 sites for motorcycle tours, which is out of a total 830 sites. I'm curious if that's an increase to the previous number of sites that these activities were applicable to.

**ALEX GRAHAM:** If it's okay with you, I'll take that on notice.

**The Hon. JACQUI MUNRO:** Do you know anything about the guidelines or requirements as to how these sites are considered permissible? What makes a site permissible or not?

**ALEX GRAHAM:** It would be in accordance with the plans of management that are already in place for each national park. The plans of management set out what types of uses are permissible on any given park.

**The Hon. JACQUI MUNRO:** Are these determined by regulation?

**ALEX GRAHAM:** It's a statutory instrument, the plan of management. Each plan of management is informed through community stakeholder consultation and to effectively inform how people want to use the park, and also what would be appropriate in any given park based on the types of environmental values that are there, the cultural heritage values that are there and what would be appropriate, relevant to those areas.

**The Hon. JACQUI MUNRO:** How often are those updated?

**ALEX GRAHAM:** They're updated at different times for different parks depending on whether an update is required. But they stay in place for a number of years.

**The Hon. JACQUI MUNRO:** How is it determined if an update is required?

**ALEX GRAHAM:** When there's a considerable demand for a change to a use of a park. Perhaps, if we've seen increases in visitation, for example, new infrastructure may need to be developed. But, really, it's responding to how the community want to use the park and also what environmental values and cultural heritage values are there that need to be protected.

**The Hon. JACQUI MUNRO:** I have to admit that I was quite surprised at the number of sites that were considered permissible for motorcycle tours in particular but quad bike activities as well. I'm wondering if there's any information that you have about what mandate is provided specifically for motorcycle tours, for example.

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Does the community specifically engage with a plan of management that is clearly listed as including a motorcycle tour as a use of the site?

**ALEX GRAHAM:** It really is just responding to what local stakeholders and what visitors want to use a park for. Sometimes when we establish a new park there can be pre-existing uses associated with those properties, for example. It's really in responding to what the community values as well.

**The Hon. JACQUI MUNRO:** I'm just going to jump around, so please bear with me. I'm going to go to microplastics and the Plastics Plan, which I presume is Mr Chappel.

**TONY CHAPPEL:** That's probably me, yes.

**The Hon. JACQUI MUNRO:** I wanted to follow up on what Ms Cohn was talking about in relation to construction and foam—styrofoam or polystyrene foam associated with construction—and why that wasn't included in the Plastics Plan 2.0.

**TONY CHAPPEL:** All pollutants and microplastics are considered. The Plastics Plan 2.0 focused on the highest risk and the most commonly littered items—basically, the items that were appearing most commonly in the sources of those. That's the first step in trying to drive down microplastic pollution in the environment. There are a number of other initiatives targeting foam and construction materials, though, for grants. I can speak to those in some detail, if it's useful. The penalties for littering have increased substantially in the last year and a half. Construction sites are often regulated by councils as well, and we do a lot of work to partner with and support councils in doing that effectively.

**The Hon. JACQUI MUNRO:** The reason that I ask specifically about this is because it had been raised with me that polystyrene foam, particularly from construction, was highly prevalent in the collection of plastics in waterways around Sydney Harbour and up and down the coast. Is that consistent with your findings?

**TONY CHAPPEL:** It's certainly present. I'm not sure. Perhaps I'll just take some advice on the best way we would characterise it. But the initiatives in the Government's plan are really informed by deep evidence gathered around the types of items most commonly littered and occurring in waterways, and how we can address those. There's absolutely more work to do. Construction materials and some of these new low-carbon materials do use more foam. Obviously, that can present end-of-life challenges when a site is demolished. That's something that we will work through for the next set of interventions over time.

**The Hon. JACQUI MUNRO:** Is there a date on the next set of interventions?

**TONY CHAPPEL:** I'm hopeful you'll see some legislation and regulations progressed this year for implementation of the actions in the current version of the plan 2.0. Then there'll be flow-on actions following that. I think the next step is that legislative reform to come.

**The Hon. JACQUI MUNRO:** Has there been any additional focus on this given the Government's housing mandate—or at least their commitment?

**TONY CHAPPEL:** I think it's been a key focus for this Government and the prior Government. I don't think housing has particularly adjusted whether it's in focus or not. Obviously, housing is a major priority more broadly—and delivering that quickly and efficiently. But the pollution impacts of how we regulate construction have continued.

**The Hon. JACQUI MUNRO:** Going to the REZs, I was curious about the community information centre. One has been set up, I understand it, in Central-West Orana. I'm curious as to whether there are any planned for the South West or New England REZs.

**HANNAH McCAUGHEY:** There are various considerations underway. The one in Central-West Orana is an ACEREZ and EnergyCo one. That was only built post concluding the deed with ACEREZ so now that it's under construction—but we are considering other community centres close to other REZs.

**The Hon. JACQUI MUNRO:** Are you working with particular providers at the moment to set those up?

**HANNAH McCAUGHEY:** The way these get funded is usually through the AER determination. You have to wait for the AER determination to be final. Therefore we'd have to put the costs through and the AER would have to determine that that was a reasonable cost that was in the interest of consumers. But there's also—Transgrid have set up one in Wagga, which covers a number of their projects. We've set up one with ACEREZ and there are considerations underway. But, ultimately, that would have to go through an AER determination process.

**The Hon. JACQUI MUNRO:** So EnergyCo can't just set up a community information centre?

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**HANNAH McCAUGHEY:** No. Our funding—we have several sources of funding. We have the transmission acceleration funding, which has very specific criteria on what that can be spent on. We'd absolutely have to go through—and with the AER, if it's for a particular REZ, we'd have to go through and do that. That's the way it usually has to work, because we are ultimately—EnergyCo is the infrastructure planner. We are the client and the contractor ultimately is the person building the REZ or the project. Therefore, most of the time it will make sense to do a co-branded or co-hosted community centre. There's possibility in future that might also include generators. It could almost be like a one-stop shop for people to come and learn about energy and centres. Overall, we think it's a good idea but you do have to go through various funding mechanisms to establish that. Most of the time that will be best done post the AER determination.

**The Hon. JACQUI MUNRO:** If the Minister, for example, wanted more of these information centres, could the department fund, or some ministerial budget fund, EnergyCo to set up a centre independent of any particular partnership?

**HANNAH McCAUGHEY:** I guess there are two different things to consider. In terms of EnergyCo, our remit is an infrastructure planner to carry out transmission planning, coordination of renewable energy within the REZs. So anything that we would have to set up very specific to the REZ and educating people about the REZ and how that specifically works—that would have to go through some kind of EnergyCo funding. If the community centre was about education more broadly, about renewable energy and the transition, that would be a departmental cost and that would have to go through ministerial or department budgets. The funding is released depending on the specificity of what the community engagement centre is for and the one that is currently set up in Central-West Orana is specifically about the Central-West Orana REZ. That's its dedicated focus.

**The Hon. JACQUI MUNRO:** Going back to Mr Chappel on air quality, following up on that question I had around the lower Hunter and Central Coast report that suggested that there could be more low-cost monitoring set up, you mentioned that there are some individual units—I guess they would be called—that are being set up. Is there anything that is being set up that's more institutionalised, for want of a better phrase, from your point of view in that area?

**TONY CHAPPEL:** We have a substantial air-quality monitoring network in the Hunter region. It's maintained by our colleagues in the science division of the department and provides community with information on air quality and various alerts—as the Sydney network that you might be familiar with operates. What I was talking about was sort of supplementary or complementary monitoring that we do around major infrastructure or particular issues of concern. For example, here in Sydney, with community concern around dust from construction of some of the major road projects, we've deployed these in schools and other locations so the community can see in their own direct environment what the air-quality impact is, if any. I'm not aware of any specific plan to install new permanent infrastructure along the lines of those major monitoring networks particularly around the Central Coast, but we are progressing to upgrade those networks so they can also more effectively monitor various greenhouse gas emissions in addition to the particulates and other contaminants they detect.

**The Hon. JACQUI MUNRO:** Specifically in that area related to coal-fired power stations, there have been multiple reports about increased levels of asthma attacks in children and other respiratory problems. Is that something that you work with particular communities on or is that something you're aware of?

**TONY CHAPPEL:** I'm certainly aware of some of those concerns. I've met myself with various community groups in that region. I think there was a previous parliamentary inquiry—one of the recommendations is being led by NSW Health, but it's a sort of health study of the community in that area related to the concern about coal dust and potential health impacts. But the advice to the EPA from NSW Health is that the air quality in the Central Coast is very good and that the health of the population in the Central Coast doesn't differ in a statistically significant way in anything that's been detected to date. We need to see that Health work, which I know is underway with the community, but that's the piece of work I'm aware of.

**The Hon. JACQUI MUNRO:** I wanted to ask about the waste levy. Is that also you?

**TONY CHAPPEL:** Yes, that would be.

**The Hon. JACQUI MUNRO:** We're obviously in a state where we've got CPI increases assumed through the forward estimates, but actually it seems that there will be some decision made about a different way of increasing prices or pricing the waste levy—from my understanding of the Minister's response—in the future. I'm wondering how you are modelling or analysing the relationship between the levy and its increase and the payment of that levy and the revenue that you'll receive into the future as a result.

**TONY CHAPPEL:** The assumptions in the budget and I think the reference to the MYEFO adjustment really reflect our current modelling. That's based on the current settings. We did see a fairly substantial increase in revenue based on an unusual spike in demolition volume from construction activity, particularly related to some

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major infrastructure—particularly in financial year 2023—that was caused by some one-off factors. But that modelling has been updated to reflect the latest projection, which really goes to relative rates of construction and other activity in different regions of the State—because the levy applies at different rates in different parts of the State—and various other sort of macroeconomic assumptions that the Treasury set for the economy as a whole, population growth and so on. But, in terms of the review of the levy, I think that's very much a question that's under consideration by government.

**The Hon. JACQUI MUNRO:** I had a question about the Smart Energy Schools scope revision. It's through the Department of Education. But I'm, basically, wondering if there's any involvement at all with—

**ANTHONY LEAN:** I'm not aware of any involvement.

**KIM CURTAIN:** I know there's some people in my team who have worked with the Department of Education on some of their ideas around solar on rooftops and that sort of thing.

**The Hon. JACQUI MUNRO:** Okay. But it doesn't involve you in particular.

**KIM CURTAIN:** We provide advice if they want to have some advice on who to talk to and that sort of thing. And there is some work that my team are doing to assist them, but I'm not sure of the status of that particular program.

**The Hon. JACQUI MUNRO:** On the State of the Environment report, the native mammals population and distribution indicator for information reliability is listed as limited. I was curious about what is being done to address this.

**ANTHONY LEAN:** Is this the metric for—

**The Hon. JACQUI MUNRO:** It's the metric for native mammals population and distribution indicator. I can get you a page.

**ANTHONY LEAN:** We might take that on notice and come back to you with some more detail. But I would imagine that getting accurate estimates of populations right across the whole State is something that will take some time. Obviously, we've made huge advances with the monitoring that we've done with GKMP, with other surveys that we do, but to get that right across the whole State will take time. Hence I think it's probably ranked as limited.

**The Hon. JACQUI MUNRO:** How many of the 58 recommendations of the Ken Henry review have been enacted?

**ANTHONY LEAN:** Which review?

**The Hon. JACQUI MUNRO:** The Ken Henry review.

**ANTHONY LEAN:** The Government published the plan for nature in 2024., and it outlined a range of actions to respond to the Henry review. We'll come back to you with a specific number on how many were accepted, but there's a large number being implemented at the moment.

**The Hon. JACQUI MUNRO:** Do you have a way to track that? Have you got a public document or a private document that—

**ANTHONY LEAN:** I thought it was published as part of the plan for nature.

**The Hon. JACQUI MUNRO:** Yes. But, obviously, we're in 2026 now. So I'm just curious about how you monitor the implementation of those.

**ALISON PEPPER:** I can add to what Mr Lean said. There were 22 actions that were part of the New South Wales Government's plan for nature. Our department is responsible for 20 of those. Two of those, Local Land Services is leading on. We have set up an internal-to-the-department sort of steering committee that oversees that. We meet monthly, and we track progress against those. I'll have to come back to you—and I can do it in this session—in terms of the number that have been completed versus the ones that are underway. For example, in Mr Bruce's area, there's an action that's been completed, regarding the Biodiversity Offsets Scheme. But I can come back to you in this session in terms of the exact number that have been completed versus those that are underway.

**The Hon. JACQUI MUNRO:** Thank you.

**TONY CHAPPEL:** On the Central Coast air-monitoring question, just some additional information. In November 2023, community members were offered what we call purple air monitors, which are these small modular monitors. There are still 17 being used, and the details are on the EPA website.

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**The Hon. MARK LATHAM:** Mr Chappel, there's an interesting trend out there, where a certain side of politics is inventing whole new economic concepts that pass the great Keynes, Friedman, Samuelson—geniuses of years gone by had no understanding of any of these things, but they're with us today: things like the care economy, the night economy, the circular economy. Invariably, a terrible drain on productivity and outcomes in Australia, adding to our productivity crisis. Where did you get the circular economy mandate from for the EPA?

**The CHAIR:** It was Matt Kean, wasn't it?

**The Hon. MARK LATHAM:** Matt Kean?

**The Hon. WES FANG:** Chair, do you want to give evidence?

**The CHAIR:** Sorry.

**The Hon. MARK LATHAM:** The prosecution rests at that point, but you're, obviously, spending a lot of money on the so-called circular economy. Where does it come from? How much are you spending?

**TONY CHAPPEL:** I think enabling a safe circular economy—and the Productivity Commission itself has inquired into these matters—

**The Hon. MARK LATHAM:** Which one? National or State?

**TONY CHAPPEL:** The Commonwealth Productivity Commission published a recent report on opportunities to improve productivity in the economy through the circular economy. It's been a longstanding priority for government, going back at least 15 years for the New South Wales Government, as it has been for the EPA. Certainly, the current strategic priorities, which include enabling safe circular economy, were adopted by the EPA board, I think, three years ago, but they predate that priority as well.

**The Hon. MARK LATHAM:** Predate it to when?

**TONY CHAPPEL:** At least 15 years back. I'm happy to take on notice when the EPA first started—

**The Hon. MARK LATHAM:** Doesn't give me a lot of comfort. How much are you spending on the so-called circular economy initiatives?

**TONY CHAPPEL:** In terms of grants or—

**The Hon. MARK LATHAM:** Yes. Annually.

**TONY CHAPPEL:** I'll have to get the detail, because there's a whole series of government programs that run over particular time periods—

**The Hon. MARK LATHAM:** I know there are.

**TONY CHAPPEL:** —for infrastructure for recycling and so on. So I just have to take that on notice.

**The Hon. MARK LATHAM:** What economic modelling was ever undertaken as to the viability of this, rather than as an ideological indulgence?

**TONY CHAPPEL:** All initiatives are underpinned by comprehensive benefit-cost analysis and economic modelling.

**The Hon. MARK LATHAM:** Where have they been published?

**TONY CHAPPEL:** Again, I'll have to take that on notice. We do release much of those pieces of work through various stages of regulatory impact statements and other assessments, but I'll take that on notice.

**The Hon. MARK LATHAM:** What about assessment of consumer attitudes? As much as we all love Dr Sarah Kaine, I've yet to meet anyone who wants to wear recycled rags.

**The Hon. Dr SARAH KAINE:** Come on!

**TONY CHAPPEL:** Again, I—

**The Hon. MARK LATHAM:** I'm just telling you my life experience. I know you think they look good, but I see them on the wall outside in the Fountain Court. I see Natasha Maclaren-Jones walk past, and I know what every woman outside of the inner city would want to wear.

**The CHAIR:** You definitely don't know what every woman wants to wear.

**The Hon. MARK LATHAM:** I know it's all well intentioned, but I've got my questions and my priorities, and these are it. Consumer attitudes surveys?

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**TONY CHAPPEL:** We do publish consultation papers and then take significant amounts of feedback. And often that is in the many thousands. But I—

**The Hon. MARK LATHAM:** You can take that on notice, too?

**TONY CHAPPEL:** I'll happily take that one as well.

**The Hon. MARK LATHAM:** Who's your economic modeller of choice? I did give you a rap by saying we all love your intentions.

**The Hon. Dr SARAH KAINE:** I appreciate it. Thank you, Mr Latham.

**The Hon. MARK LATHAM:** I'm not hostile.

**The Hon. Dr SARAH KAINE:** I understand.

**The Hon. MARK LATHAM:** I'm just trying to get to the facts. Who's your economic modeller of choice in this space?

**TONY CHAPPEL:** I wouldn't say we have one provider of choice, but various professional services firms that are on the Government panel.

**The Hon. MARK LATHAM:** So if you can take all that on notice and provide to the Committee the relevant information to justify the expenditure, whatever the total might be.

**TONY CHAPPEL:** Sure.

**The Hon. MARK LATHAM:** Turning to old mate Nick Rowley, how do you reckon Peter Mandelson's going today? You're a friend of Mandy, aren't you?

**The Hon. JOHN RUDDICK:** He would have worked with him.

**The Hon. MARK LATHAM:** Yes.

**The Hon. Dr SARAH KAINE:** Point of order—

**The Hon. MARK LATHAM:** No, that's facetious. It's not relevant.

**The Hon. Dr SARAH KAINE:** It just occurred to me who that was.

**The Hon. MARK LATHAM:** It's facetious. I thought Nick might smile, but he's ashen-faced.

**The CHAIR:** Mr Latham, if you have a question for Mr Rowley, please ask it.

**The Hon. MARK LATHAM:** I do. I thought he might smile, but he's ashen-faced. So I'll move on to—

**NICHOLAS ROWLEY:** I can readily refer you to comments that I've made in the public domain about Peter Mandelson, on ABC radio this afternoon and also at nine o'clock this morning on ABC television.

**The Hon. MARK LATHAM:** Very relevant, topical question and answer. Thank you, Mr Rowley. What impact will net zero in New South Wales have on global surface temperatures?

**NICHOLAS ROWLEY:** This is a very important question.

**The Hon. MARK LATHAM:** The most important question.

**NICHOLAS ROWLEY:** What lies behind your question is a mindset.

**The Hon. MARK LATHAM:** No. I've got no mindset that you know of. I'm asking for evidence as to what impact on global surface temperatures we'll achieve with net zero in New South Wales. You're not here to reflect on my mindset or anything else. I'm here to gather the evidence.

**NICHOLAS ROWLEY:** Okay. So, on the evidence, which time are you particularly—this time next year? In five years? Ten years?

**The Hon. MARK LATHAM:** Whatever time frame you've got, whatever positive outcome you've got in bringing down global surface temperatures—whatever you've got.

**NICHOLAS ROWLEY:** Surface temperatures. Are you talking about atmospheric temperatures?

**The Hon. MARK LATHAM:** No. I'm talking about global surface temperatures, which is the main conventional measure of climate change impacts.

**NICHOLAS ROWLEY:** Surface temperatures over the ocean or surface temperatures over the land?

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**The Hon. MARK LATHAM:** Both. Over the planet.

**NICHOLAS ROWLEY:** So you would like a mean figure.

**The Hon. MARK LATHAM:** I want you to provide evidence to this Committee that you think is appropriate in terms of the impact of your net zero in New South Wales on the planet's temperatures, climate change.

**NICHOLAS ROWLEY:** If you look at the contribution that New South Wales makes to Australia's emissions profile, we have a bigger impact on the emissions profile of this country than any other State.

**The Hon. MARK LATHAM:** Great.

**The Hon. JOHN RUDDICK:** What about the world temperature?

**NICHOLAS ROWLEY:** Australia itself makes a contribution in terms of global emissions probably just below 1.5 per cent of global emissions. That's quite a small number. The United Kingdom was slightly higher. It now is slightly lower. One can look at that sort of data and state, "Well, we're just small. We don't make very much of a contribution." Just yesterday I was meeting with the current scientific adviser to Chris Wright, who is the energy secretary under the current US administration. Steve Koonin has also done excellent work on these matters when he worked with Steven Chu, who was the energy secretary under the Obama administration. His perspective is very much that we are all small. Any contribution we make is negligible.

**The Hon. MARK LATHAM:** Not if you're China, India or the Americas.

**NICHOLAS ROWLEY:** Steve Koonin is only in this part of the world for a very short period of time—

**The Hon. MARK LATHAM:** The answer to my question is—

**NICHOLAS ROWLEY:** Let me finish.

**The Hon. MARK LATHAM:** I'm sure you talk to lots of people.

**NICHOLAS ROWLEY:** Then you can come back and I'll give you as much data as you can stomach. I'm just seeking now to respond to your question in terms of the principles that lie behind the question that you ask and why you ask it. Can you give me the floor to do that?

**The Hon. MARK LATHAM:** I'm running out of time. Nick, as head of the commission you must know the impact because it's the reason we're doing it.

**NICHOLAS ROWLEY:** All I'd say is—

**The Hon. MARK LATHAM:** You must have a number written up on your wall in big red letters.

**NICHOLAS ROWLEY:** We would be far more sophisticated given the quality of the staff that we employ at the Net Zero Commission. We wouldn't have such crude numbers pinned up on walls. But I would say that when one looks at any of the contributions that we might make to externalities and negative externalities, Steve Koonin is not walking down the street just throwing rubbish everywhere because he'll just turn around and say, "I'm but small and I can make no difference in terms of quite what happens in this part of the world with regard to all of the waste that is generated, because I'm only here for a week and I'm just one person. So I just don't need to do very much at all."

**The Hon. MARK LATHAM:** I understand the prisoner's dilemma underpinning of what you're saying, but what is the impact of New South Wales going to net zero on global surface temperatures? It's a very simple question which you've taken three minutes now to skirt around.

**NICHOLAS ROWLEY:** I actually think on one level it's quite an interesting question. In order to answer that question you'd have to undertake such an enormous piece of work, right, that would come up with a number that could be questioned from any perspective in terms of it actually describing the impact we might have.

**The Hon. WES FANG:** So much for the science being settled.

**The Hon. JOHN RUDDICK:** It's negligible.

**NICHOLAS ROWLEY:** But in principle if you reduce the emissions that are helping lead to the global climate problem, whether that is contributing to 1 per cent of emissions, or in the case of Australia 1.5 per cent, or anywhere else, one is still making a measurable contribution to reducing climate risk.

**The Hon. MARK LATHAM:** What is that measure? There's pensioners out there who can't afford to put their electricity on in the winter and are freezing, okay, because of these policies. You better come up with

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something that's measurable, justifiable and important to verify the fact that a lot of people are suffering here because of the cost impacts of more expensive electricity. So what is that number?

**NICHOLAS ROWLEY:** Can I just ask in response to that question—

**The Hon. MARK LATHAM:** What's that number? You must lie awake yourself in your own air conditioned house and think, "Well, other people are suffering. We better be doing something important here for surface temperatures."

**The Hon. Dr SARAH KAINE:** Point of order—

**The CHAIR:** I'll hear the point of order.

**The Hon. MARK LATHAM:** I've been patient about getting an answer that's obviously not forthcoming.

**The Hon. JOHN RUDDICK:** He's embarrassed to answer.

**The Hon. Dr SARAH KAINE:** My point of order is just a reminder for everyone in the room about the procedural fairness resolution—making sure that we afford witnesses appropriate space to answer.

**NICHOLAS ROWLEY:** If you're serious about the question, can I ask for a reverse brief, whereby you clearly write down the question and I'm quite happy to take that on notice. I can give you the correct answer.

**The Hon. MARK LATHAM:** Nick, your answer here today is so embarrassing you ought to resign, mate. That's pathetic.

**The Hon. WES FANG:** Point of order: Noting Dr Sarah Kaine's point of order, the witness was asked a very clear question. It was a legal question. The witness obfuscated and didn't answer the question.

**The Hon. JOHN RUDDICK:** Shame.

**The Hon. WES FANG:** Yes. In those circumstances, for Dr Sarah Kaine to take a point of order seeking to admonish the Hon. Mark Latham, when the—

**The CHAIR:** There is no point of order. Dr Kaine was simply reminding everyone about courtesy to witnesses. The fact is that you may not like the answer you get, but there were answers being delivered.

**The Hon. MARK LATHAM:** I didn't get one.

**The Hon. JOHN RUDDICK:** There wasn't an answer.

**The Hon. WES FANG:** There wasn't an answer.

**The Hon. Dr SARAH KAINE:** To the point of order: I don't think it's appropriate to use a point of order to cast aspersions about the quality of the answers given.

**The CHAIR:** I absolutely agree—that's why I said there was no point of order. Everybody, it's my turn. Can I please turn to Mr Chappel—just a very brief point and question I would like to ask you about a specific development, which is the HVO Continuation Project. I know that you and I have talked about this a little bit. Can you please explain why the EPA says, and these are the EPA's words:

... projected emissions for the amended HVO continuation project are declining at a rate consistent with the NSW target emission reduction rate.

**TONY CHAPPEL:** The project has demonstrated that they've worked through the requirements of the major emitters guideline in terms of first avoiding emissions. They've removed plans to mine particular seams that were very intense in terms of the fossil methane in favour of a revised mining plan. They've revised their operations to reduce the remaining emissions and then abate those. They've also committed to offset additionally beyond what's required from the Commonwealth safeguard to deliver a trajectory that declines for that project, broadly consistent with New South Wales emissions reduction targets.

**The CHAIR:** Thank you. So if you look at their actual scope 1 emissions, though, are you talking about their entire emissions footprint? If you look at the actual scope 1 emissions that are reported to the Clean Energy Regulator, HVO's scope 1 emissions have been trending upwards and were at their highest level since financial year '24, since the mechanism was introduced eight years ago. I'm just curious about where that plays into your final conclusion, because ultimately this justifies their continuation and approval, doesn't it?

**TONY CHAPPEL:** The amended project, which is now under consideration, has a total of I think just over 220 million tonnes of reduction in terms of the ROM coal and a reduction of almost 12 million tonnes of CO2 equivalent emissions for scope 1 and 2. The gross emissions have also been reduced from about 29 million

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tonnes of CO2 equivalent to 15.3, and the net emissions outcome is now just under eight megatons. There's clearly been a number of actions that the proponent's taken to comply with the requirements of the guideline and the target, which is a 50 per cent reduction by 2030—it's not zero by 2030—and so in our assessment those actions were broadly consistent.

**The CHAIR:** I think with the mix of the offsets that are involved—how does that feed into the Net Zero Commission's finding in their spotlight on coal, which found, as we all know, in order for our targets to remain achievable, onsite abatement at existing mines is essential, particularly due to those fugitives? I can't see the scope 1s doing anything other than increasing. It sounds like there's some sort of other accounting that's happening with overall emissions which is factoring in offsetting. Or do you say that's not what you see?

**TONY CHAPPEL:** I think the work of the Net Zero Commission and the EPA is still, as you know, finalising our regulatory requirements for the coal sector. We're considering that work from the net zero, as well as some pretty extensive feedback relating to a number of proposals. The major emitters guide, which is what I was referencing in terms of the advice we provided last year on the HVO project, and how we implement that guide, is still also being refined. All of this work is still under various levels of consideration. But for the point you've made about the Net Zero Commission concluding basically that extensions are not consistent with the target, I think our view as the pollution regulator would be that in simple physics or mathematics there's a number of pathways to a target. You can imagine various alternatives where projects that have less fossil methane—

**The CHAIR:** But what about the specific finding about this onsite abatement? It just seems that we're not even dealing with these scope 1 emissions onsite through abatement, and we're not listening to the Net Zero Commission in relation to what, arguably, a lot of us thought was a really logical recommendation and something that the EPA could then go, "Hey, this is where you've got to stop emitting. You can do it here." But instead now, it seems with HVO, which is the first big one in the pipeline—and they've amended the width—the EPA's not requiring them to do more of that onsite abatement.

**TONY CHAPPEL:** Onsite abatement is very much a focus of the coalmine regulation proposals that we've been consulting on since late last year. I think it's important to understand the difference here between the advice the EPA provided into the planning assessment last year on that project before I think we'd actually started consulting on these particular project proposals, which include pre-mine drainage, fossil methane abatement through either ventilation air methane or other techniques, consideration of low-carbon fuels for the fossil emissions from diesel, and a number of other proposals. That's very much under consideration now in terms of onsite abatement. That's one of the key areas where these settings will be complementary to the Commonwealth safeguard. Certainly not duplicative, but we're iterating those to their final state shortly.

**The CHAIR:** Mr Lean, can I ask you about the koala translocation and the report? The Minister mentioned it and said we would explore this a little bit more with yourself. When is the report due, or the review report?

**ANTHONY LEAN:** We've received the report. The response to the recommendations in that report will be finalised and it'll be released shortly after that.

**The CHAIR:** That's very good, but is that soon?

**ANTHONY LEAN:** I don't have a specific date for you, but I expect it will be very soon.

**The CHAIR:** Who's been responsible for undertaking that review? Who are those people?

**ANTHONY LEAN:** I might actually get Alex Graham to just talk that through.

**ALEX GRAHAM:** National Parks and Wildlife Service conducted the review and we have sought three independent peer reviews of that review report.

**The CHAIR:** Who are the independent reviewers?

**ALEX GRAHAM:** I will come back to you with that information.

**The CHAIR:** Thank you. There's already a lot of information and somewhat speculation, but also there's been a lot of documents released. I've also spoken with experts that would suggest that the leaf in the area that the koalas were taken to in South East Forest were just not tested before they were taken there. Is that the case that the leaf wasn't tested at all in terms of palatability, nutrition and koalas?

**ALEX GRAHAM:** Certainly, the preliminary findings of the report indicate that may have been a contributing factor, alongside a severe rainfall event and weather conditions, among other factors as well. I can say that that would have been a contributing factor.

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**ANTHONY LEAN:** Can I just add to that as well—there are a lot of very divergent opinions in this space about what is the right way to proceed with running these translocations. On the one hand, there are some scientists that say doing that leaf testing is very important, but we need to also understand that that has a significant animal welfare impact as well. There's quite divergent opinions in this space, and we'll release the peer reviews as well. I did also want to say the Animal Ethics Committee is part of the review process for this report as well.

**The CHAIR:** It was implied in the materials that the koala expert panel that was asked to look at whether this was a sensible project or otherwise, or a project that should have had more guardrails around it, that there was opinion that it was a really dangerous project. Would you agree with that?

**ANTHONY LEAN:** No, my understanding is that's not correct. I think there were a range of views on the panel, and I'd probably have to defer to others on precisely who held that view. But my understanding is it wasn't a widespread view across the whole panel.

**The CHAIR:** It's my view, and I'm shameless about it, that I think it's incredibly experimental in terms of some of the things that we're doing, and I think in hindsight you'd have to agree. But if there is a panel, what is it? Who decides, ultimately? Is it majority view? Is it three disagree? Is it one? How do you fight and scrap it out? Is it someone's got more expertise than others, so we defer? Is it because someone's older or younger? How does it work, in that sense?

**ANTHONY LEAN:** I think that's actually one of the issues that's come out of this review, is the actual governance process for bringing that advice together. Obviously, in scientific areas where there are a range of opinions that's a difficult issue that we're going to have to work through.

**The CHAIR:** Is there an opportunity for the public or the community to be able to feed into how things happen, going forward?

**ANTHONY LEAN:** At this stage, we'll release the report with our response to it. It's not envisaged that there'd be a formal consultation process. I would say translocation projects are not new. There's been numerous examples of it in other jurisdictions. There's also one in Narrandera in New South Wales that happened. But as well as that, with other mammalian species as well, there's numerous examples of translocations.

**The CHAIR:** I know, koalas are so special.

**ANTHONY LEAN:** Koalas are very special.

**The CHAIR:** Especially in New South Wales. We have very special koalas, and they hate being translocated.

**The Hon. WES FANG:** Mr Lean, I wanted to come back to the levies that we are charging residential power users that the Minister indicated were published, but it turns out are hidden in the network costs. In terms of those charges, when did we start collecting them?

**ANTHONY LEAN:** The scheme under the Climate Change Fund has been around since at least 2011, probably a number of years before then.

**The Hon. WES FANG:** Accepting that scheme has been around for a period of time, how long have we been deducting levies for the Climate Change Fund and also for the emissions reductions programs?

**ANTHONY LEAN:** I think we'll have to take that on notice to give you precise detail. The Climate Change Fund has funded a range of different things over time. Which particular emissions reduction activities are you referring to, specifically?

**The Hon. WES FANG:** The ones that you're taking out of residential power bills that are driving up the cost in a cost-of-living crisis. Those ones.

**ANTHONY LEAN:** I think if you have a look at the Climate Change Fund annual report, you'll see the details of what those programs are and maybe you could—

**The Hon. WES FANG:** Yes, the Minister said the same thing. However, It would appear that on checking, we can't see any reference to how much is taken out of residential power bills to fund the Climate Change Fund.

**ANTHONY LEAN:** Sorry, I was asking which programs, and then I was referring you to the report to identify which programs.

**The Hon. WES FANG:** What I'm asking you is how much are residential households funding the Climate Change Fund, and also for the emissions reduction programs out of their bills?

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**ANTHONY LEAN:** This is where I'm getting a bit confused, because what are you actually referring to when you're talking about emissions reduction programs? I mean, they're all programs funded out of the Climate Change Fund. There's a mix of programs there around adaptation.

**The Hon. WES FANG:** Let me make it simple for you. How much are you taking out of people's—

**ANTHONY LEAN:** Happy to come back to you with that number.

**The Hon. WES FANG:** Okay. Is the number for Essential Energy customers the same as it is for Ausgrid and Endeavour?

**ANTHONY LEAN:** We answered that this morning. The levy—

**The Hon. WES FANG:** Actually, the Minister sort of answered part of the question but she wasn't specific on if the levy was the same for all users or whether it was a—

**ANTHONY LEAN:** It's not levied on individual users. That was the point of the answer. The levy is applied to each of the distribution networks, and then they distribute that amongst their customers, but between the different networks, it's allocated on a population basis. Is that correct, Kim?

**KIM CURTAIN:** Yes.

**The Hon. WES FANG:** Let's dive into that a little bit more. How do you work out what each levy will be on each of the distribution networks?

**ANTHONY LEAN:** It's allocated on the basis of population and market share as I understand it.

**The Hon. WES FANG:** In those circumstances, what is the levy for each of the three distribution networks?

**ANTHONY LEAN:** For Ausgrid, it's \$139.5 million; for Endeavour Energy, it's \$96.6 million; and for Essential, it's \$61.25 million.

**The Hon. WES FANG:** What was Endeavour?

**ANTHONY LEAN:** Endeavour is 99.6.

**The Hon. WES FANG:** And Essential?

**ANTHONY LEAN:** It is 61.25.

**The Hon. WES FANG:** In terms of the way that those numbers are achieved, you said it's based on population in that network area. Is that correct?

**ANTHONY LEAN:** It's determined based on its share of the New South Wales market by population.

**The Hon. WES FANG:** What are the population figures that you're using to generate that number?

**ANTHONY LEAN:** My understanding is that we derive it from ABS statistics.

**The Hon. WES FANG:** Are you able to provide me that? The reason I'm asking is I just want to divide the amount of money by the people that you're using. I want to know whether you use the same figure across the board or whether there is a differential between what Essential customers are paying on a per head basis versus Endeavour or Ausgrid.

**ANTHONY LEAN:** The other point to remember with this is that distributors have been asked not to recover more than 25 per cent of those costs from household customers. You would need to factor that into your calculations when you divide by the population.

**The Hon. WES FANG:** And the population figures are?

**ANTHONY LEAN:** Off the top of my head, I don't know them. We'll take them on notice.

**The Hon. WES FANG:** If you wouldn't mind taking on notice the population figures that you've used to calculate these figures and whether the 25 per cent limit is hit in terms of how the billing is done, I'd appreciate that just so I can understand what we're paying for. What are we getting for our \$300 million that we're putting on people's power bills, Mr Lean, and why isn't it annotated on our power bills?

**ANTHONY LEAN:** The details of all of the programs are in the Climate Change Fund annual report. I think we're completely transparent about that. There's a range of programs that we've been running under the original Net Zero Plan, which was launched in 2021, which seek to drive emissions reduction, but it also helps to fund adaptation activities as well. A lot of the modelling work that we do is funded through that. There are various

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grants programs that we run that are designed to help businesses reduce emissions. There's a range of programs. If you just bear with me, I'll pull up—

**The Hon. WES FANG:** Whilst you're getting the information, I will ask another question in relation to that. Is it the case that these contributions to the Climate Change Fund are part of the network access fee, or is it just part of the general usage fee and integrated into that?

**ANTHONY LEAN:** My understanding is it's collected by the distributors as part of the distributors' fees, effectively.

**The Hon. WES FANG:** The reason I ask whether you know which part of the fee it's in is that if you're a high user of power and you've got a fixed sum that you are trying to recoup from consumers—

**ANTHONY LEAN:** I understand what you're asking.

**The Hon. WES FANG:** Yes. If you're a high power user and you're distributing that across your power usage, it's different than if you are just seeking it out of the access charge because that's a flat fee in effect whether you're on the network or not.

**ANTHONY LEAN:** It's covered through the distribution charge, which is determined by the AER.

**The Hon. WES FANG:** We know that there is quite a differential between the access charge for consumers in rural and regional communities versus metropolitan areas, and can be as much as double. Is this a contributing factor to why there is such a differential?

**ANTHONY LEAN:** It's only a small portion of the bills, from what I understand. We think it averages out at about \$19 per household, so I wouldn't say that's a large driver of cost.

**The Hon. WES FANG:** When you say "\$19 per household", is that per bill cycle, so every three months, or is that per year?

**ANTHONY LEAN:** Per year.

**The Hon. WES FANG:** Do you think households would prefer to have that \$19 in their own pockets, or do you think they prefer that it's spent on the Climate Change Fund?

**ANTHONY LEAN:** The other analysis that we've done has also shown that through the various programs it has actually driven savings in household bills at the same time. For \$19, we estimate that it saves about \$63.

**The Hon. WES FANG:** How so?

**ANTHONY LEAN:** Through the range of programs that we run that help lower overall—or put downward pressure, I would say, on the cost of electricity.

**The Hon. WES FANG:** Do you know what else puts downward pressure on the cost of electricity? People not being able to afford to turn the air conditioner on or their lights on because power is so expensive.

**ANTHONY LEAN:** No, I understand that.

**The Hon. WES FANG:** I'll move on from there. Ms McAughey, I will try to pronounce your surname right, because obviously there are instances from time to time where people perhaps don't quite get mine right—I will get there. I had the great fortune to travel to Walcha and Gundy—I went Walcha down and then Gundy up—to have a look at the proposed route of the New England REZ transmission line. One of the most disturbing things that I heard when I was travelling around—and this wasn't a one-off; this was multiple occasions—was that EnergyCo's contractors are sneaking, skiving, slithering—there are so many terms I could use: skulking, even—around looking at routes, and then when they're questioned by landholders, they openly lie about what they are doing there.

I was told that in one instance there were people that were indicating that they were wanting to drill for a bore, and when the landholder said, "That's ridiculous," and questioned whether they were from EnergyCo, they had to fess up. Another indicated that they were looking for a lost mobile phone and, when they were caught out, admitted that they were from EnergyCo. Do you instruct your contractors to lie to landholders about who they are and what they are doing, or do you condone it and you're just happy to turn a blind eye to that conduct?

**HANNAH McCAUGHEY:** We have engaged in extensive community consultation in New England. We've held 12 community briefing sessions, many—

**The Hon. WES FANG:** Sorry, this is not answering my question in relation to the conduct of your contractors.

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**The Hon. Dr SARAH KAINE:** Point of order, Mr Deputy Chair: I'm not suggesting Mr Wang—Mr Fang—shouldn't ask his question. Honestly, that was not intentional.

**The Hon. WES FANG:** That is going on a reel. You are going to make a reel.

**The Hon. Dr SARAH KAINE:** Wes, I'm sorry. I'm not suggesting that he's not entitled to ask the questions. It's just that Ms McCaughey was within half a sentence of answering. If we gave a bit more time before we say, "Could you answer the question?", that would be appreciated.

**The Hon. JOHN RUDDICK:** Great. I think we would like to hear the complete answer.

**HANNAH McCAUGHEY:** My understanding is that the question was do I instruct my contractors to lie. The answer is I don't do that. The second question as I understand it was do I condone that behaviour. My answer to that is no.

**The Hon. JOHN RUDDICK:** Are we going to investigate these serious claims that Mr Fang has mentioned?

**HANNAH McCAUGHEY:** There are numerous avenues where people can put formal complaints in about behaviour, which we receive, we investigate and we track those. Any claim or complaint would, as it's formally submitted, be considered and investigated.

**The Hon. WES FANG:** Are you suggesting that there weren't complaints made about the conduct of your contractors prior to me raising it now?

**HANNAH McCAUGHEY:** I have seen some concerns raised about contractors. The ones that I have seen—the community consultation team had given notice that contractors were going to be in the area looking at land, and the email was very respectful. There was an issue raised in relation to that. The specific instances you're referring to, I have not seen those complaints. But any complaint about misrepresentation would be investigated and treated very seriously.

**The Hon. WES FANG:** What is the consequence for a contractor who is caught misrepresenting who they are and who they are servicing in any of your projects?

**HANNAH McCAUGHEY:** We have clear obligations around treating people with respect. We have very clear requirements around being truthful. There would be the ability to take a range of measures under those contracts. It would be depending on what the specific allegation was and what was the evidence that established that complaint being true or not true.

**The Hon. WES FANG:** I want to move to another matter that we were discussing at the last supplementary estimates in December, and I foreshadowed it a little bit with the Minister. In terms of the Waratah Super Battery, the Minister indicated that we are only paying Akaysha half of its contracted fee in circumstances where the battery is pretty much half cactus, I'll say. You've certainly got one transformer out, so one-third of it is completely dead. I believe one-third of it is only half working, so let's call it half a battery. What are we paying Akaysha now for a battery that's half dead.

**HANNAH McCAUGHEY:** In terms of the aggregated payments for Waratah Super Battery, it's set out in attachment A, table 1 of the AER determination, which sets out the revenue summary.

**The Hon. WES FANG:** Yes. It's about \$139 million for this financial year. What are we going to pay them in terms of the battery not working?

**HANNAH McCAUGHEY:** There are two elements to that. As we foreshadowed, there's a Transgrid element. That is \$105 million, but that is paid over several years, as you'll see in the table. Transgrid will be paid their element year on year because they have built kit—they have expanded substations, included busbar Bs—and they are operating and using that kit in order to provide the service to New South Wales consumers through their transmission line. In relation to the SIPS service, which is the other contracted element, Akaysha does not get paid because the service is not being provided. That's the contestable component.

**The Hon. WES FANG:** So they are not getting paid at all.

**HANNAH McCAUGHEY:** For the 2024-25 period, they will not be paid that because the SIPS service was not available.

**The Hon. WES FANG:** When you say they won't be paid that, do you mean the figure that's listed in the table?

**HANNAH McCAUGHEY:** The figure that is listed in the table as "Contestable Components" for the year 2024-25.

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**The Hon. WES FANG:** When I asked the Minister earlier how much we were going to pay Akaysha in circumstances where the battery was not operational and she said, "We're paying them half", someone's not providing me the right answer.

**HANNAH McCAUGHEY:** Let me take this through step by step. What we're saying is the battery is operating by half. Transgrid is being paid for the element that they are providing. In relation to the other element, because it has been 50 per cent provided in the year 2025-26, that element will be paid for. So it depends, the year they're being paid for and the availability to service. Obviously we're partway through the 2025-26 period, so exactly how much Akaysha will be paid in the 2025-26 period is still dependent on the performance of the battery in this year.

**The Hon. WES FANG:** In terms of us still paying Transgrid to operate and provide a service to a battery that's only half working, why are we paying them the full amount?

**HANNAH McCAUGHEY:** Just so we're clear, the \$105 million is not being paid. The full amount is the \$105 million. That is paid over a schedule of payments. Again, I refer you to attachment A, table 1 of the AER revenue determination. For the bits that they are paid, which are in columns one and two, that service is being used and those payments are being made because they have built the infrastructure that is providing that service to the New South Wales customer. The battery has multiple service—this is quite typical with large batteries. They have different revenue sources for different services they provide. The payment and the revenue will depend on the provision of those services.

**The Hon. WES FANG:** Whether we're talking about half of the figure that's going to Akaysha or nothing to Akaysha or Transgrid, in terms of what the Waratah Super Battery is providing to the grid, how are we getting value for money for that \$100-plus million?

**HANNAH McCAUGHEY:** Just so we're clear, the \$105 million is paid over a five-year period. Just so we're very clear, we're into year two. Let's just go back to that. First of all, it is providing valuable services. I went out to the Transgrid Wallgrove centre and sat with the operators, who said, "We are super grateful for being able to pull on this battery at critical times." At times when the grid is under stress, they are able to pull from the battery. I think actually what you can say is that this is providing a valuable service and that customers are only paying for the service they are being provided for.

**The Hon. WES FANG:** Mr Lean, my last question is about the previous determination, that was almost \$600 million in terms of the renewables, that is to be charged to electricity consumers through their power bills. What is the breakdown of where that money is being allocated? Is it part of the transmission line for the Central-West Orana REZ? Is it for Central-West Orana REZ planning? Is it for EnergyCo to start planning the New England REZ? What's the breakdown of where that money is going?

**ANTHONY LEAN:** There are a range of projects that would be covered by that. It would include payments for the CWO REZ, which is obviously now in the construction phase; it would include, I imagine, planning works on the Hunter Transmission Project; some early works as well, probably on—early planning, I should say, on New England REZ; plus also administrative and underwriting costs.

**The Hon. WES FANG:** Mr Lean, are any of those projects generating renewable energy and putting it into the grid at the moment?

**ANTHONY LEAN:** The Waratah Super Battery—that's not part of the contributions determination, is it?

**The Hon. WES FANG:** It's not generating renewable energy, I would say.

**ANTHONY LEAN:** But it's providing a service.

**HANNAH McCAUGHEY:** It's providing a service.

**The Hon. WES FANG:** It's not generating any renewable—

**ANTHONY LEAN:** But these are projects—

**The Hon. WES FANG:** It's \$600 million, and we are not generating any renewable energy out of it.

**HANNAH McCAUGHEY:** Just so we're clear, the purpose of the annual contribution is to smooth those costs over time. CWO REZ is now being constructed.

**The Hon. WES FANG:** I can tell you now that the people of New South Wales don't want to be paying for something that's not doing—

**The CHAIR:** Mr Fang, we're now in Mr Ruddick's time.

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**ANTHONY LEAN:** If you wait until the whole thing is built and operating and then you hit consumers with that, it is going to cost a lot more than by smoothing it out over a period of time.

**The Hon. JOHN RUDDICK:** My question is to Mr Anthony Lean, Secretary of the Department of Climate Change, Energy, the Environment and Water. How many employees does your department have in total?

**ANTHONY LEAN:** I can get you the precise number. It's around 7,000 FTEs.

**The Hon. JOHN RUDDICK:** In the lead-up to the 2023 State election, the then Opposition leader Chris Minns campaigned on reducing senior executive roles by 15 per cent. It was part of Labor's platform to "cut bureaucratic bloat". *The Sydney Morning Herald* reported on 9 March 2023, "If Minns wins, he plans to shake up the public service, which includes guillotining 15 per cent of senior public servants." Has your department achieved this goal of a 15 per cent reduction in senior executive positions?

**ANTHONY LEAN:** The Government has determined that we need to deliver on that target by 30 June this year. Each department has been allocated a number which they need to get to. We have progressed a number of restructures within the groups of the department to reduce senior executive numbers in line with that target. We've got a couple of others underway at the moment. I think EnergyCo, the EPA and Water Group are still mid-realignment or mid-restructure, if I can call it that. I'm confident that we're on track to hit that target by 30 June 2026.

**The Hon. JOHN RUDDICK:** There have been a couple of restructures, which you've just mentioned. I have heard concerning reports that there is an employment strategy in your department that, via a technical loophole, new environmental officer roles have been created at classes 13, 14 and 15 and that these officers are paid more than the senior executive band.

**ANTHONY LEAN:** That's not accurate in that they're paid more than the senior executive band. There is an existing award that has been in place for an extended period, for many years, which enables EO 14 and EO 15 roles to be created. The EO 15 role and part of the EO 14 role overlap with the senior executive band 1 role, at the bottom end of the band. There's an equivalence of work value points. We're also trying to limit the creation of those roles to where it doesn't have overall strategic responsibilities. We are considering creating an EO 15 role. I would point out that our SEB ratio of senior executives to staff is actually very low. I think it hovers at around 2.8 per cent.

**The Hon. JOHN RUDDICK:** Last time we were at this meeting, I mentioned that all around the world, except for Australia, there has been a rolling-back of public funding towards renewable projects. I gave the example of the United States, which has completely ceased taxpayer funding for renewable projects. You said that it will be a positive for Australia because private investment will be more attracted to Australia because we still offer taxpayer assistance. Have you seen a surge in investment in New South Wales over the past year, with the American Government ceasing to fund these projects?

**ANTHONY LEAN:** I'm not sure the way that you've paraphrased what I said exactly reflects the intent of what I said. I would refer to the Minister's answer this morning, where she talked about the number of projects that are either under construction or in the planning system at the moment. I'd also point out that the tenders that are run through the independent Consumer Trustee are very well subscribed as well. It would seem that there is a real interest in investing in renewable energy in New South Wales. There are challenges in some areas, but there's a steady pipeline of projects coming through.

**The Hon. JOHN RUDDICK:** Last June the Nature Conservation Council put out a report on the renewable energy program. That's a partly government-funded organisation, like yourself. It says that in two years there's going to be a shortage of electricity. They said that we need to speed up the transition. I want to read it out to you and see what your response is. The Nature Conservation Council says that the reasons for projects languishing include—they give about five reasons, but the top of that list is the investment environment. This is saying that projects are languishing, and the chief reason is we're not being able to attract investment. That's contrary to what you just told us.

**ANTHONY LEAN:** I'd refer to the fact that we are seeing a lot of projects coming into the planning system and under—

**The Hon. JOHN RUDDICK:** So you're disagreeing with the Nature Conservation Council.

**The Hon. MARK BUTTIGIEG:** Point of order: The witness is attempting to answer the question.

**The Hon. JOHN RUDDICK:** I apologise. Let's hear him.

**The Hon. MARK BUTTIGIEG:** You can't just interrupt as soon as you ask the question. You've got to let them answer.

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**The CHAIR:** The member's agreeing with your point of order and has apologised.

**ANTHONY LEAN:** I've lost my train of thought now. As I was saying, the number of projects that are coming through the planning system and that have been approved and are starting to enter construction is quite promising, particularly the demand of people interested in batteries. Hannah, I might hand to you as well for what you're seeing.

**HANNAH McCaughey:** We are seeing a very healthy interest at the moment. We are carrying out the New England network operator procurement process. We have a very healthy number of consortiums in that looking to procure. We had a robust process with the CWO, which is the first regulated concession for a route for a transmission project in Australia. That was also with a private sector consortium. If you look at the CWO REZ and you look at the construction project and all the access rights holders, that roughly adds up to about \$25 billion of private sector investment. For the South West REZ and the access rights holders there, there is \$17 billion worth of commitments in the access rights projects. Overall, I would say that's a pretty healthy look at attracting private investment into New South Wales. Recently there was a report done which showed that New South Wales is the most attractive jurisdiction in Australia to invest in renewable energy. There are still things that I'm sure we can do better but, overall, we're seeing a very healthy interest from the private sector in building our REZs.

**The Hon. JOHN RUDDICK:** So both of you have said it's all looking quite optimistic and rosy. We can only therefore conclude that the Nature Conservation Council is being alarmist. They're saying that your projects are languishing because of a lack of private sector investment.

**ANTHONY LEAN:** I'm not sure that's a question for me—

**The Hon. JOHN RUDDICK:** I don't think there's any other conclusion.

**ANTHONY LEAN:** I think it's more of a comment.

**The Hon. JOHN RUDDICK:** If they are alarmist on this point, there's a good chance they are alarmist on other points. Let's move on. Let's talk to Mr Nicholas Rowley from the Net Zero Commission. Mr Rowley, are you familiar with the New South Wales public sector code of ethics and conduct?

**NICHOLAS ROWLEY:** Yes.

**The Hon. JOHN RUDDICK:** That's good to hear. One of the obligations of that code is that a public servant must not act in a way that casts doubt on their ability, or the ability of their agency, to act impartially, apolitically and professionally. Does fundraising for a registered third-party political campaigner align with being impartial and apolitical?

**NICHOLAS ROWLEY:** Are you looking to point to a particular instance that you have evidence of that you wish to present?

**The Hon. JOHN RUDDICK:** I'm going to get to that. As a general rule, we wouldn't want any of your employees to be engaged in political activity of that nature.

**NICHOLAS ROWLEY:** I would think not.

**The Hon. JOHN RUDDICK:** And you're familiar with Mr Will Rayward-Smith, who is an executive director at the Net Zero Commission.

**NICHOLAS ROWLEY:** I know Will Rayward-Smith well. He has also been a witness in front of your Committee.

**The Hon. JOHN RUDDICK:** He was the headliner at a fundraiser for the Bob Brown Foundation, along with Zali Steggall, on 17 February. Are you familiar with that?

**NICHOLAS ROWLEY:** It was a film, I think, on the protection of the Tarkine wilderness. From memory, it took place at the Hayden Orpheum on the North Shore.

**Ms CATE FAEHRMANN:** Lovely venue.

**The CHAIR:** Beautiful venue.

**NICHOLAS ROWLEY:** It is very nice.

**The Hon. JOHN RUDDICK:** Your executive director has helped raised funds alongside a sitting Federal MP for an organisation run by a former Greens senator which is aiming to stop a Federal Labor Minister from approving a mine. Is that impartial and apolitical, sir?

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**NICHOLAS ROWLEY:** I think you might be stretching the bow a little far there. With all due respect to Will, whom I have deep respect for, I don't think there were too many more people, other than possibly friends and a few members of family, who may have attended that event to listen to what he might have said on a platform in relation to his perspective on conservation or climate change or whatever else he may well be talking about.

**The Hon. JOHN RUDDICK:** You did tell us at the last estimates that none of your employees at the Net Zero Commission is anti-mining. It does sound to me like Mr Will Rayward-Smith is anti-mining.

**NICHOLAS ROWLEY:** You may say that, but I don't know why you would conclude that.

**The Hon. JOHN RUDDICK:** Do you think he needs to be spoken to in any way to see that he doesn't attend political events? He's welcome to attend political events and fundraise, but not while he's an employee of your organisation.

**ANTHONY LEAN:** Could I just raise a question?

**The CHAIR:** Of course.

**ANTHONY LEAN:** Mr Rayward-Smith isn't here to respond to these criticisms.

**The Hon. JOHN RUDDICK:** His boss is.

**ANTHONY LEAN:** Is it appropriate? I think the appropriate thing is for this to be referred to the department to consider.

**The Hon. JOHN RUDDICK:** Budget estimates is here to have this discussion and to raise these questions. The code does say "must not act in ways that cast doubt on your ability, or the ability of your agency, to act impartially, apolitically and professionally".

**ANTHONY LEAN:** The code also says you can participate in public debate on political and social issues in a private capacity. There are certain measures you have to put in place. I think it's something that deserves a closer look by the department.

**The CHAIR:** If somebody wants to take it on notice or respond in a way, then the Committee obviously is very open to that. Mr Rowley?

**NICHOLAS ROWLEY:** I am—and working together with Anthony—quite happy to take it on notice. My understanding is that this was an event in relation to conservation matters in Tasmania. It actually didn't have anything to do with New South Wales. In that way, I don't think that Will attending that in any way was his association with the political party. I don't believe that the Bob Brown Foundation is a political party. I think it's an advocacy organisation.

**The CHAIR:** Absolutely.

**The Hon. JOHN RUDDICK:** It is a registered third-party political campaigner.

**The CHAIR:** Okay. We are into time. Ms Faehrmann?

**Ms CATE FAEHRMANN:** Good afternoon, everybody. Mr Chappel, I wanted to ask about the Office of the Chief Scientist and Engineer report that has just come out recently on Broken Hill lead. I'm wanting to know what impact that has had on the EPA's work. To date, since I last asked you questions about the funding, is the work on the ground in Broken Hill continuing in terms of remediation of houses and also your conceptual modelling? Is that all still underway?

**TONY CHAPPEL:** The existing Broken Hill Environmental Lead Program that the EPA currently runs has been funded for two years.

**Ms CATE FAEHRMANN:** When does that finish?

**TONY CHAPPEL:** In 2027.

**Ms CATE FAEHRMANN:** Mid?

**TONY CHAPPEL:** Yes.

**Ms CATE FAEHRMANN:** That's what you're giving Maari Ma?

**TONY CHAPPEL:** Previously, the EPA has funded Maari Ma directly. Yes, I understand there is some funding for Maari Ma in these two years. But we also work with Far West health, and health is now picking up some of the elements and funding those directly. I think my colleague Ms Geddes can give some more detail on the particulars, if that's useful.

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**Ms CATE FAEHRMANN:** Yes, thank you.

**ALEX GEDDES:** The work on the ground with the Broken Hill team continues as it has been. We're continuing to remediate the homes in Broken Hill. We're continuing our community education and awareness program. We're continuing to fund Maari Ma through till the end of this financial year.

**Ms CATE FAEHRMANN:** What was that bid until the end of this financial year?

**ALEX GEDDES:** I will just confirm that in a minute.

**Ms CATE FAEHRMANN:** The work that the EPA did in terms of the preliminary conceptual site modelling for Broken Hill—which was a foundational assessment, I understand, of where elevated lead was within Broken Hill—is that work complete? Documents that I've had access to via the Parliament show that the EPA has been working for some time on that.

**TONY CHAPPEL:** Are you able to be a bit more specific?

**Ms CATE FAEHRMANN:** The conceptual site model, CSM. Maybe Mr Beaman knows. I don't know whether anybody else knows more.

**ALEX GEDDES:** I can answer that. The work that we have been doing on the conceptual site model has been underway. What we are doing now is, post the OCSE report now being finalised, we are going to be wrapping that work into what then will be the whole-of-government response. We anticipate that the recommendations from OCSE will influence that work. Given that one of the key recommendations from OCSE is to pivot to zonal remediation, that work will be one of the key pieces of work that we anticipate delivering post OCSE. If I can clarify, the EPA is funding Maari Ma through to the end of 2027.

**Ms CATE FAEHRMANN:** Yes, there's the Maari Ma remediation effort, which I understand has slowed in the last year, but there's also the additional work that the EPA has been undertaking. Documents that I've got suggest that the Broken Hill program, if you like, has suffered as a result of budget pressures and that this whole-of-government priority of the Broken Hill lead issue has in fact been downgraded. Is that your understanding, Mr Chappel?

**TONY CHAPPEL:** No, the central government funding ceased, I think, in 2020. The EPA was able to, essentially through scrounging underspent allowances, continue some level of support for the program.

**Ms CATE FAEHRMANN:** Good on you, by the way. It's pretty much the only money that has been going into Broken Hill for a bit.

**TONY CHAPPEL:** Thank you. We've had people embedded in this community trying to work on this issue for a very long time. I'm sure it was very disappointing for our team at that point when funding ceased. But funding was secured and, essentially, restored for the previous year and this year through to the end of 2027. That work has continued. I think some of the challenges operationally, though, are because we haven't had the ability, through that period where the funding wasn't available, to commit beyond the current year. I think that has caused some operational challenges for Maari Ma.

**Ms CATE FAEHRMANN:** Coming to the budget last year—and I think I've asked you this question before, perhaps in a slightly different way. It seemed as though the budget submissions for funding for the Broken Hill programs weren't met. This is last year's budget. Is that correct? The EPA was not provided the budget or the funding that you submitted for Broken Hill lead in last year's budget?

**TONY CHAPPEL:** We achieved funding for the period through last year and this year through to 2027.

**Ms CATE FAEHRMANN:** But you did submit—you did ask for more?

**TONY CHAPPEL:** I can't speak to any Cabinet process.

**Ms CATE FAEHRMANN:** The email I have here, which talks about the funding pressures from the delivery and engagement group within Premier's Department for the western region, does suggest that the OCSE report, which I'll ask in other budget estimates about—but they have had to develop a skeleton model, so downsizing it, reducing the OCSE budget. But it also suggests that they were going to have to rely on the EPA to provide technical resourcing and the EPA has previously advised that they would not hold the expertise required. What's your understanding of what you'll be required to do for the whole-of-government lead program? What is the EPA's role? Is the Office of the Chief Scientist and Engineer taking over some of what you've previously done?

**TONY CHAPPEL:** I think the Government has to make decisions about how to respond to that report. We've only just received it a few days ago. I think ourselves, colleagues in Health and other agencies like the

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Premier's Department are still really considering how that might inform joined-up action. But that's the purpose of that report—is to inform that to be more effective.

**Ms CATE FAEHRMANN:** But the Office of the Chief Scientist and Engineer would have asked the EPA to be a part of what you can do going forward. Is that correct? Or is the Office of the Chief Scientist and Engineer going to take over some of what you've been doing on the ground in terms of the conceptual site modelling work, the remediation work?

**TONY CHAPPEL:** I'm not sure either of those are the next steps. The recommendations have to be considered and then inform a whole-of-government response. It's really just too early for me to make any kind of commitment around what that actually looks like. Just in terms of our expertise, we partner with the science division in the department and we're working with them currently on some of the threshold issues around metalliferous content in dust, which we don't currently have a national standard for—so to develop that.

**Ms CATE FAEHRMANN:** Some of the documents also say that there hasn't been any soil monitoring undertaken by the EPA in Broken Hill since Mark Taylor submitted his 2019 report. Is there a reason for that?

**TONY CHAPPEL:** I'm not sure that's actually correct. Perhaps my colleagues Ms Geddes or Mr Beaman might be able to add some detail.

**Ms CATE FAEHRMANN:** I think there have been notes from meetings that you've attended, Ms Geddes, that this has been discussed.

**ALEX GEDDES:** I can add some—obviously, our focus over recent years has been the residential home remediation. But what we have done—because we've known for some time that there is a need for that zonal broader piece. We know that children don't spend all their time in one home. They play in parks. They might go to grandparents' houses, day care, things like that. We have been working over the last number of years to remediate some of those additional areas. That's been some of the effort that we've done that is broader than the home aspect, but making sure also that we're targeting those higher risk areas where we know that children are—

**Ms CATE FAEHRMANN:** Yes, but my question was about the fact that no soil monitoring has been undertaken since at least 2019. Also, in one of the drafts of the Office of the Chief Scientist and Engineer's report, it stated that playgrounds and childcare centres were last tested several years ago and even at that time a couple had very, very high soil readings. Who's responsible for doing all of that? Isn't it the EPA?

**ALEX GEDDES:** We do regularly undertake assessments of child cares and day care centres. That is part of the work program that we do.

**Ms CATE FAEHRMANN:** But is there a reason why in the last couple of years that hasn't happened in Broken Hill, where the kids have literally been poisoned by lead?

**ALEX GEDDES:** It has. In fact, in the last year we have undertaken a number of remediation visits to day care centres. In fact, it was in—we'll find it for you. In 2022-23 five family day care residences were remediated. In 2021-22 there was one not-for-profit after-school care centre remediated. We know that between—

**Ms CATE FAEHRMANN:** It's up till 2023?

**ALEX GEDDES:** Between 2015 and 2025. We know that over that time 24 family day care centres and primary schools have been tested at a number of 38 times. There is work being done and I think the focus is those higher risk areas—is where we focus our efforts.

**The CHAIR:** We're at time. We're going to take a short break for 15 minutes and we'll be back at 3.45 p.m. Thank you, everyone.

**(Short adjournment)**

**The CHAIR:** Welcome back. And it's over to the Opposition again.

**The Hon. JACQUI MUNRO:** Thank you. The Minister wasn't quite sure about who had responsibility for sharks. I'm wondering if anybody else can put any specificity around who is responsible for shark management in Sydney Harbour.

**ANTHONY LEAN:** I haven't got anything to add to the Minister's answer. My understanding is it's Fisheries within DPIRD.

**The Hon. JACQUI MUNRO:** They said that it wasn't them. DPI said it was councils. Councils said, "No, it's not us." I'm just wondering if there is—

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**ANTHONY LEAN:** I think it might depend on precisely what you're actually talking about. DPI, obviously, and Fisheries runs the shark-meshing program. I'm not sure who takes responsibility for issuing warnings on individual beaches. That might be where some of the confusion comes in. But the one thing I am certain of is it's not DCCEEW.

**The Hon. JACQUI MUNRO:** That's good. Certainty is good. Thank you. There's a section in the budget relating to insurance in terms of claims. I was wondering about the property line. This is from the annual report of the department. There are 134 claims on property. The sum of net incurred costs is \$34.5 million. Only \$763,000 have been paid, with the sum of the latest estimate being almost \$34 million. I was just wondering how you're budgeting for that. What does that represent—those claims—and how do you account for that?

**ANTHONY LEAN:** Claims in the property space would generally come from two areas. We have responsibility in the Water Group of the department for the Hunter Valley Flood Mitigation Scheme, and that incurred some significant damage recently. And then a number of claims arise from damage caused by severe weather events in the national park estate. It takes time for the claims to be processed. We might have an initial assessment but it will take some time for the works to be completed and for the moneys to be paid to us. We manage that through carried-forwards et cetera, within the standard budget process, so it's not a big issue for us.

**The Hon. JACQUI MUNRO:** Do you expect that all of that is paid, those claims?

**ANTHONY LEAN:** I'd have to take that level of detail on notice.

**The Hon. JACQUI MUNRO:** Okay. If you could provide that detail for each line item there, which is referred to in table 20 in the annual report, that would be helpful. It's motor vehicle, property, miscellaneous, liability and workers compensation. There were also reports of data privacy breaches that occurred, two which ended up being considered notifiable, although there were 14 notifications. The report noted:

... recommendations were made to review and amend internal processes and policies to minimise the likelihood of similar incidents occurring again.

Could you please explain what those processes were?

**ANTHONY LEAN:** The complaints or the processes?

**The Hon. JACQUI MUNRO:** The recommendations made to review and amend internal processes and policies to minimise the likelihood of similar incidents occurring again.

**ANTHONY LEAN:** I'll have to take that on notice and get some more detail about the two specific reportable matters.

**The Hon. JACQUI MUNRO:** That would be helpful, thank you. On heritage, regarding Victoria Barracks, I was curious about how you have been consulted about the potential sale of Victoria Barracks.

**SAM KIDMAN:** Thanks for the question. We have consulted with the Federal Government initially. Obviously that process is being handled by the Department of Defence. If a property is divested, it doesn't lose its heritage value. If it's on the State Heritage Register, it will remain on the State Heritage Register, no matter who owns it. So the protections that apply to the barracks now will continue to apply into the future.

**The Hon. JACQUI MUNRO:** Given that advice, how does that change the value proposition for selling the land?

**SAM KIDMAN:** I couldn't comment on that. Purchasers will make their own decisions about—buying any heritage-listed property doesn't necessarily preclude other uses of that property, whether it be for housing or hospitality or any other purpose. But the important thing there is that the Heritage Council or Heritage NSW would be able to regulate those changes to the property to make sure that the heritage values are maintained.

**The Hon. JACQUI MUNRO:** Thank you. Now going to the Biodiversity Conservation Act, in a previous estimates there was a suggestion by the Minister that the Natural Resources Commission was going to be consulted on how to reduce landscape-wide land clearing. I was wondering if there's a timeline for exhibiting the proposed changes, if the Natural Resources Commission has been consulted.

**ANTHONY LEAN:** They've been asked to do three reviews, which the Minister referred to today. The one that you're specifically referring to is the last one due. My understanding is it's due to be delivered to government in the middle of this year.

**The Hon. JACQUI MUNRO:** Back to the budget or the annual report, there was a \$200 million shortfall in actual sale of goods and services from contracts with customers. I was wondering what that was attributable to.

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

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**The Hon. JACQUI MUNRO:** Thank you. Further, there was \$10 million additional to what was expected—so \$3 million was expected and \$13 million gathered—from retained taxes, fees and fines. I was also wondering—

**ANTHONY LEAN:** We'll take those on notice.

**The Hon. JACQUI MUNRO:** Thank you. I now have one about the REZ. AEMO say that they can trigger REZ design reports to require the local TNSP to explore and report on any technical, economic or social issues that will need to be addressed for the REZ to be a valuable, sustainable and welcome development. However, most States are currently exploring State-based development schemes in preference to REZ design reports. Do we have a specific State equivalent to a REZ design report?

**HANNAH McCAUGHEY:** Just to go that through step by step, the TNSP is Transgrid. Effectively, in the beginning of the road map history, they were initially going to be considered to build CWO REZ, and then it was determined that they did not have the capability to do it. That's part of the reason that the Government of the time then decided to go to procurement. Effectively, what we have now is the road map. We have the REZs. Our annual report sets out the REZs. If new REZs would be required, that would be generated by the department.

**The Hon. JACQUI MUNRO:** Was there a reason that if there's a future REZ why the department would take care of that rather than AEMO?

**HANNAH McCAUGHEY:** It's because in New South Wales we have the EII Act. AEMO typically does the NER, so they do the National Electricity Rules. The way that projects progress under the National Electricity Rules is quite different from the EII Act. In fact, I think the road map was set up specifically to make sure that New South Wales could build its own infrastructure to make sure that it could replace ageing coal-fired power stations in time. There's been good progress under that. I think that's why the State-based schemes progressed in New South Wales and AEMO would be unlikely to do that.

**KIM CURTAIN:** They would be unlikely to lead it, but I very much doubt we would do anything without discussing with AEMO and having their input.

**The Hon. JACQUI MUNRO:** Of course. I was just curious about how that process worked. Thank you. That's helpful. Going back to data centres, is the Biodiversity Offsets Scheme ready for data centre development?

**ANTHONY LEAN:** It would already apply to any data centre development that has an impact on biodiversity. Generally, where these things are being proposed, it's cleared land, but there's bound to be some proposals that actually involve clearing native vegetation or in other ways impact species or ecosystems such that a biodiversity assessment report needs to be prepared.

**The Hon. JACQUI MUNRO:** Are you familiar with any particular proposals that do fit the requirement to engage with the Biodiversity Offsets Scheme?

**ANTHONY LEAN:** No, not off the top of my head.

**BRENDAN BRUCE:** No.

**The Hon. JACQUI MUNRO:** In terms of data centres and the relationship between the department, the IDA and Infrastructure NSW, is the department providing any advice to the IDA at the moment?

**ANTHONY LEAN:** Yes, we are asked for our views on particular projects through the EOI process as to whether they should be accepted by the IDA and gain the benefits of going into that process.

**The Hon. JACQUI MUNRO:** Is that happening in an aggregate look at all the data centre projects that are being proposed at the moment, or is it just proposal by proposal?

**ANTHONY LEAN:** The IDA really has two roles. One is to concierge the right way, to assist in sort of project managing large investment projects through approval and planning systems, and all that sort of stuff. So there's that part. The EOI is being run to select projects to be part of that process. What they're also doing is looking for systemic issues that they can sort of refer to other parts of government as things that may need to be fixed because they're creating a systemic barrier to investment in New South Wales. Data centres fall into that category, I think, where the IDA is sort of identifying issues. Tom Gellibrand is on the IDA. He's the CEO of Infrastructure NSW. He's picking up those issues to the extent that they arise, and they're feeding into the NSW policy development process. So the cumulative impact issues are being identified through that Infrastructure NSW process.

**The Hon. JACQUI MUNRO:** In terms of Infrastructure NSW and the data centre strategy that's being developed, how is that designed to interact with the IDA and with your departmental processes, or just your general planning approval processes?

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**ANTHONY LEAN:** The IDA doesn't remove the need to get planning approval. As I said, systemic issues being identified by looking at individual projects in the IDA—that's being referred back to other parts of government. In this case, the data centre stuff is largely going to INSW, but we're getting a picture that we're thinking about in terms of our own work with the Energy Security Target Monitor about how much demand is coming through for data centres. Government is all talking to each other about this.

**The Hon. JACQUI MUNRO:** I'm just trying to understand how everything fits together, and the data centre strategy, what its purpose will be. Is it to guide decision-making through the IDA? Is it to provide information to you and your department about the priorities of energy, or how agreements should be made with data centre operators?

**ANTHONY LEAN:** I'm limited in what I can say because it is sort of a Cabinet-in-confidence process, but it is looking at some of the challenges that a large influx of data centres would present. But it is also thinking about how New South Wales can put its best foot forward to attract data centre investment. I think the policy development process that we're going through at the moment is trying to work out the best way to balance those two things. From our perspective, energy issues, water issues as well. On the other side, Infrastructure NSW and Investment NSW, which is part of the Premier's Department, are keen to get the investment in. We're all participating in that policy development process.

**The Hon. JACQUI MUNRO:** Fundamentally, I don't want to see that social licence is lost in a similar way to what we've seen in some regional communities with the energy rollout. Fundamentally, anything that can provide certainty and clarity is helpful in transparency. On a different issue, which was brought to my attention by Tanya Thompson, the member for Myall Lakes, about a planned power outage which occurred during active bushfires at Bulahdelah, apparently the decision was made by Essential Energy to continue the planned power outage during the bushfire. I'm wondering if this has come across anybody's desk to investigate.

**ANTHONY LEAN:** It's not something that I'm specifically aware of. Kim?

**KIM CURTAIN:** Not that specific instance.

**The Hon. JACQUI MUNRO:** Basically constituents were, reportedly to me, but I understand that Ms Thompson has spoken to these constituents directly, that they were left without internet, phones, the ability to pump water and basically were left bereft of any ability to use their energy systems. Is this something you would raise with Essential Energy directly?

**ANTHONY LEAN:** We're happy to take it on notice and we can come back to you with a response.

**The Hon. JACQUI MUNRO:** I understand that she wrote to the Premier, but the Premier's office redirected it to Minister Sharpe, but hasn't received a response yet. Obviously she was concerned that if future events occurred that it's a less than ideal situation for constituents, and not just in her area, but anywhere that has—

**KIM CURTAIN:** On the principle, whenever there's a bushfire there's always someone from our team from an energy emergency management perspective who will be with the teams. To the extent that powerlines are potentially impacted, it can actually cause a lot more problems. So there are times during bushfires that some areas might need to be turned off from a safety perspective. I don't know that particular instance, but there is involvement of AEMO, my emergency management team and the relevant network provider, depending upon what the line is that might be impacted, working with the Rural Fire Service or whoever is the lead on that particular incident to work out what keeps people as safe as we can.

**The Hon. JACQUI MUNRO:** Mr Rowley, I'm sorry I don't have it with me, but the Net Zero Commission's annual report referred to land use, land clearing and reforestation, but in fairly vague terms. I'm wondering what or if there are any plans that you're aware of to better understand land use in New South Wales and if that would assist your reporting on that particular issue?

**NICHOLAS ROWLEY:** I could give you a very lengthy answer going into pathways with parks and other things that we're currently engaged on. Of course, we'll look at land management and agriculture and how that may well have a consequential impact in relation to our emissions profile. I know that you asked me that question offline, and I know the office is also looking to organise a full briefing for you on our work, and including questions of that nature with that level of detail, and we really relish the opportunity to do that.

**The Hon. JACQUI MUNRO:** Would that help you? I mean, to have more information about land use in New South Wales and have more resources put towards that understanding. Would that assist your team to present a more fulsome report in the coming year?

**NICHOLAS ROWLEY:** Yes, it would, but it's also work that we can undertake ourselves, absolutely.

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**The CHAIR:** Mr Lean, I just want to point out one thing quickly to finish up the translocation that you know I called a "terrible experiment". The last document, the final briefing note that was attached to the approval of that translocation—the third dot point said, "The panel could not come to a consensus on this translocation and it was largely not supported. However, there was consensus that the criteria regarding selection for local adaptations and understanding threats at the recipient site is not being adequately addressed, which was a concern for the panel." Does that really concern you?

**ANTHONY LEAN:** I might actually ask either Alex or ask Trish Harrup to come up, because they'd probably have more direct knowledge.

**The CHAIR:** But when you hear that, how could something remotely be approved with that final conclusion?

**ANTHONY LEAN:** What I'm not sure about there is were other steps put in place to mitigate some of those risks.

**The CHAIR:** That was attached to the determination document, that then said, "Thanks for all your hard work on this. I know this was a tricky one. Thanks for summarising the key concerns. The eight koala translocations are departmental priorities under the koala strategy, and the uncertainty around survival is part of the project and any project that introduces a species to an area where the species isn't naturally occurring." How can you reconcile that final determination with that expert comment summarised the way it was?

**ANTHONY LEAN:** I think we'll just have to wait until the report's published.

**The CHAIR:** Fair enough, thank you. Because I know I saw that and was extremely concerned, hence my reports to the RSPCA that I really think that it's nothing short of animal cruelty. Mr Chappel, I recently went to Glenbog State Forest. I frankly could not believe what I saw with my own eyes. What Forestry Corporation was claiming to be a "roading operation" was not a roading operation; it was a roadside logging operation. It is as clear as the tree stumps on the edge of the road for anyone to see and the logging trucks that took out the logs that were logged alongside the road. The Forestry Corporation provided a review of environmental factors for that roading operation, but has not made publicly available the site-specific forest operation plan for road and trail maintenance that governs the work. Do you know if the EPA is looking at this particular issue?

**TONY CHAPPEL:** We have looked at it. I think the review of environmental factors that you've referenced is one of the carve-outs that the corporation is entitled to use under the planning legislation, because the Environmental Planning and Assessment Act has a number of measures that can occur without requiring IFOA compliance or approval. In a sense, this is really an issue that's beyond the power of the EPA to regulate.

**The CHAIR:** Are you satisfied that they have applied the appropriate legal mechanism to avoid the IFOA? Are you satisfied with what they've provided you and the framework they're relying upon?

**TONY CHAPPEL:** Certainly, I don't think that framework can apply for any coupe, or activity that would occur in a coupe. I think my colleague Mr Beaman might be able to add a bit more context.

**The CHAIR:** I think there was 11 truckloads of timber logs taken out as part of that roading operation. I stood there and looked at it myself, and there are literally trees all along the road edge except for the large, best sized trees that were taken out. Have you managed to undertake an inspection of that operation?

**STEPHEN BEAMAN:** No, not yet. I think what we can say today is we'll review—we've seen evidence from both sides, and we're going to review that and see whether it does fall under the EP&A Act and whether they did have those requirements under the IFOA and whether they were triggered or not. We're happy to do that.

**The CHAIR:** Can you make available the site-specific plan? Are you in a position to be able to make available those documents to the community?

**STEPHEN BEAMAN:** If we get them under our statutory powers, there are obligations on us not to release that information. So it would be difficult for us to give that to a third party.

**The CHAIR:** Are you also aware of, in both Badja State Forest and Glenbog, the massive disparity between the greater glider den trees that the community found and the greater glider den trees that Forestry Corporation found? Are you undertaking any investigation to what appears to be, once again, a substantial failure in Forestry's den tree survey methodology?

**STEPHEN BEAMAN:** I think we'd be happy to take that one on notice, on the specifics of Badja and Glenbog.

**TONY CHAPPEL:** Certainly we communicate to the corporation any of those findings when we're satisfied and we receive them. But, yes, we'll take that on notice and give you a detailed answer.

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**The CHAIR:** Thank you. Obviously, there's a lot on Forestry, but in terms of the greater glider site-specific biodiversity condition, I know at the supplementary estimates you indicated that some work was happening. Are you able to update or elaborate on what is precisely happening?

**TONY CHAPPEL:** We've commenced that review and we need to consider a number of different data sets around spatial and administrative data, various perspectives on operational impacts and timber supply impact, and obviously impacts on the glider itself, and then administrative efficiency. But there's also a number of Commonwealth pieces of work that essentially need to be considered—obviously, the EPBC reforms and then the New South Wales bilateral project to ensure compliance with those. There's also a Commonwealth species recovery plan for the glider that we're awaiting. We probably need to see that as well before we would finalise any adjustments.

**The CHAIR:** In terms of that, do you have a time frame? I mean, these logging operations are happening. Greater glider den trees—there's only so much the community can do to make good for Forestry Corporation's shortfalls. Is there a time frame on this work?

**TONY CHAPPEL:** It's hard to give you a specific time commitment, just because some of those pieces are well beyond our control.

**The CHAIR:** Can I please ask about the current Biodiversity Offsets Scheme—I think that might be you, Mr Bruce. There are a bunch of threatened ecological communities, so what I am curious about is the credit discharge obligation. Obviously, the new changes under the law required that you had to purchase the credits, but we know those credits aren't available, or for many of them. Obviously, the ones I'm talking about are Southern Highlands Shale Woodland, the Robertson Basalt Tall Open-forest ecological community, Upland Basalt Eucalypt Forests community, the Illawarra—there's a few there. Warkworth Sands as well. Have credits been purchased for those difficult, threatened ecological communities?

**BRENDAN BRUCE:** Are you referring to payments made into the Biodiversity Conservation Fund?

**The CHAIR:** Yes, the fund.

**BRENDAN BRUCE:** I might ask Dr Giuliani to come up and speak to that as well.

**ERIN GIULIANI:** Thank you, Chair, for your question. I'd have to take those specific credit types on notice. I'm happy to take it on notice, and we can find out that information for you. You referred to the time frame by which the Biodiversity Conservation Trust must apply moneys paid into the fund to secure those credits, and now there's a new statutory requirement that that is three years. If we are unable to do that within those three years, we must make an agreement with the Minister.

We have now published on our website an agreement with the Minister to make sure that for any credits that are older than three years as at the end of 2025 and 2026 we have a plan in place to do that. This is the second time we've published that agreement. We are 99 per cent through the first agreement. We made an agreement with the Minister for securing credits that were above three years as at December 2025, and we are almost complete with that agreement. We are substantially through the second agreement with the Minister as well. We can provide that detail on notice, but I'd have to take the specific trading groups on notice.

**The CHAIR:** I'll give you a list of those TECs. Are you finding that you are actually finding the credits, or are you having to allocate the moneys to other projects?

**ERIN GIULIANI:** If we're unable to find the credits, we are able to use the offset hierarchy per the legislation, which has a number of steps available to the Biodiversity Conservation Trust.

**The CHAIR:** But in terms of money in the fund, have you been allocating that to other things rather than the credits unavailable?

**ERIN GIULIANI:** If we weren't able to find a credit, because it wasn't value for money or it wasn't available, and we were able to use a variation rule, we would be purchasing a credit within those variation rules or we would be establishing a conservation action project. There are certain credits where, if we are unable to find a like-for-like credit, we must go straight to a conservation action, and generally that's under the EPBC Act.

**The CHAIR:** With those conservation actions, are they visible on the website? Is that what you're saying in terms of the agreement? Can people see?

**ERIN GIULIANI:** The agreement is our plan for how we will deal with the credits that are older than three years. I'd have to check on notice, but I don't think it specifies—

**The CHAIR:** No, I don't think it does.

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**ERIN GIULIANI:** It specifies the type of credit, but in our annual report we do publish—and this was one of the recommendations from the Auditor-General's report in 2022—how we are anticipating to apply variation rules or conservation actions in a forward-looking sense. We can come to you on notice with some information in that respect.

**The CHAIR:** I'll come back in the next session. I have a couple of other questions about the fund.

**Ms CATE FAEHRMANN:** I just wanted to turn to questions about blueberries and the statement that the EPA issued with the NSW Food Authority on 3 October 2025, which stated:

The NSW Government has confirmed there is no evidence that blueberries from northern NSW are unsafe to eat.

Mr Chappel, should I direct this to you?

**TONY CHAPPEL:** Yes, and I might refer it to one of my colleagues with some more detail, but absolutely.

**Ms CATE FAEHRMANN:** Are you aware of the basis on which the Government made that assertion in terms of the tests undertaken?

**TONY CHAPPEL:** I might refer this one to my colleague, Mr Beaman.

**STEPHEN BEAMAN:** Thanks for the question, Ms Faehrmann. When the labs get the samples for testing, they do a pesticide scan, so you can see a chemical signature for each of the samples that were tested. There were samples taken through that period, and we were able to historically go back and get the labs to pull those scans out. We didn't detect those pesticides that were identified in the ABC media.

**Ms CATE FAEHRMANN:** Who provided the testing? Who did FreshTest provide the data to from that?

**STEPHEN BEAMAN:** FreshTest?

**Ms CATE FAEHRMANN:** Yes. That's the industry testing provider.

**STEPHEN BEAMAN:** They do their own testing. They take it to their accredited labs, and we ask the labs for the data.

**Ms CATE FAEHRMANN:** So that was from the provider FreshTest from the industry at the same period, and the statement says that there was no evidence of thiometon residue on any berries tested?

**STEPHEN BEAMAN:** Correct.

**Ms CATE FAEHRMANN:** Was thiometon tested for?

**STEPHEN BEAMAN:** It was in the pesticide scan, yes.

**Ms CATE FAEHRMANN:** I would assume FreshTest wouldn't normally test for thiometon because it's not legally available—as in it's illegal to use.

**STEPHEN BEAMAN:** The lab does a test for a whole range. I think the labs we ask to do it can do up to 600 or 700 different pesticides, and so we can go back through the historical scans and get an assessment done on that data.

**Ms CATE FAEHRMANN:** The EPA was critical of the test undertaken by the researcher at the SCU, and I think that the methodology and analysis used were not accredited for testing fresh fruit such as berries. Why is that important?

**STEPHEN BEAMAN:** We were trying to be very careful not to be critical of other people's work, but there are standard test methods that need to be used, and the test methods that were used weren't the standard test methods.

**Ms CATE FAEHRMANN:** A scientist, though, undertaking environmental investigation—the assertion that I've read is that in fact they tested for even smaller traces than what FreshTest would have. That's correct?

**STEPHEN BEAMAN:** No. We can't rely on those test methods because we're not sure what the preservation techniques were and what material was tested, the fruit or the skin. There are standards to test against, and they're the standards we all need to rely on, and those standards weren't used.

**Ms CATE FAEHRMANN:** But the lab results showed that the thiometon was present.

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**STEPHEN BEAMAN:** It may have been a contamination issue in that lab because we can't guarantee that the process and the preservation techniques were the appropriate ones. Just because you take a sample doesn't make it accurate.

**Ms CATE FAEHRMANN:** We've also asked some questions of the EPA around the various testing that has been undertaken, the sampling in the Mid North Coast areas. You've got that compliance blitz that has been happening. One of the supplementary questions to the last budget estimates I asked was whether blueberries were tested for dimethoate and, if so, what the results were. The answer provided was:

Yes. Dimethoate was detected on samples obtained by the EPA. However, there were no indications of unlawful use of Dimethoate. We've asked for specifics. The results of the tests, in other words, was the question that we asked, and whether the blueberry samples were within the legal residue limits for dimethoate. I think that's the question. As we know, the AVPMA has recently increased the kind of risk threshold or application.

**STEPHEN BEAMAN:** The withholding period time, for 14 days.

**TONY CHAPPEL:** We can certainly take it on notice and get you the detail. It might have been an environmental sample, but let us just confirm.

**Ms CATE FAEHRMANN:** If you could commit to that, Mr Chappel, because that's specifically what we were asking. Again, the community needs reassurance here. In terms of results, if there's nothing to hide, don't hide it.

**TONY CHAPPEL:** No, we're absolutely on the same page there.

**Ms CATE FAEHRMANN:** Excellent. With the various pesticides, you get a lot of complaints each year. I've asked for a breakdown of the data of complaints of potential misuse of pesticides. Between 2015-25, there were 3,883 complaints. That's over a decade—fair enough. How many complaints has the EPA followed up with an onsite compliance visit? The answer was 367. Out of all of those 3,883 over a decade, just one advisory letter was issued to the blueberry industry. That seems rather low.

**STEPHEN BEAMAN:** Can I give you some more data I have in front of me?

**Ms CATE FAEHRMANN:** Okay.

**STEPHEN BEAMAN:** For 2023-24, we had 331 complaints; for 2024-25, we had 424; and for 2025-26 year to date as of 31 December, 154.

**Ms CATE FAEHRMANN:** It's very frustrating for me because I'm sitting with calendar year data, but that's okay.

**STEPHEN BEAMAN:** On an annualised basis, we're actually seeing a decline in complaints. For the Coffs Harbour area from February 2025 to February 2026—because we were preparing this for budget estimates—we've had 47 reports in the Coffs Harbour/Nambucca area in the last 12 months. For the pesticide campaign we did recently, so 3 and 4 November, we went unannounced to 11 properties in Coffs, nine properties in Nambucca and two in Clarence Valley. That resulted in nine advisory letters and two ongoing investigations.

**Ms CATE FAEHRMANN:** I don't have much more time left so I want to go to another issue, of an underground mine fire that took place at Perilya's silver, lead and zinc mine in Broken Hill in January last year. I have evidence in front of me that the EPA didn't undertake any air monitoring that whole time. Is that correct?

**STEPHEN BEAMAN:** That's correct.

**Ms CATE FAEHRMANN:** Why is that?

**STEPHEN BEAMAN:** That would have been a decision for the incident management team that attended that incident. The primary regulator in that air space is the Resources Regulator.

**Ms CATE FAEHRMANN:** Residents were complaining. I've seen ABC Broken Hill followed this up a few times with the Minister's office. Residents and workers complained of a bad taste in their mouth and toxic smell. In fact, Fire and Rescue advised residents to stay indoors. So when does the EPA step in, to say, "Maybe we should test what's going on"?

**STEPHEN BEAMAN:** We work as part of the incident management team. Whoever had the lead on that—either the Resources Regulator or Fire and Rescue—we give them advice at the time and there would have been a discussion at that point. But Fire and Rescue's standard advice for people when there is a major fire is "Close your windows and doors and stay inside until the smoke passes".

**Ms CATE FAEHRMANN:** Any issue when they've still got a bad taste in their mouth a week later?

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**STEPHEN BEAMAN:** I don't know. I wasn't told that.

**Ms CATE FAEHRMANN:** Mr Chappel?

**TONY CHAPPEL:** I'm listening to you carefully, because this certainly is not a fire that I have been directly aware of. We can go back and check, but I'm not aware that we've had those concerns raised with us by the community.

**Ms CATE FAEHRMANN:** So either Fire and Rescue or the Resources Regulator says to the EPA, "You're not required." Is that how it works? The EPA doesn't say, "No, I think we should be going and testing. We want to make sure everything's okay in terms of air quality"?

**STEPHEN BEAMAN:** It's a pretty a pretty collaborative discussion, in the way that operates. Fire and Rescue have a lot of their own air-testing equipment that they use and they can deploy.

**Ms CATE FAEHRMANN:** They didn't do that, though.

**STEPHEN BEAMAN:** But they do have that equipment also.

**Ms CATE FAEHRMANN:** So no-one tested?

**TONY CHAPPEL:** We can confirm that.

**Ms CATE FAEHRMANN:** Can you follow up on that?

**TONY CHAPPEL:** Yes.

**STEPHEN BEAMAN:** Yes.

**Ms CATE FAEHRMANN:** Central Coast/Ourimbah PFAS—what investigations is the EPA undertaking, particularly in terms of the fire incidents and traffic incidents? The communities are telling me that they originally thought the high levels of PFAS in the waterway system was from landfill leachate. They're now turning their attention—it was reported in *The Sydney Morning Herald* as well—to some very severe accidents involving a hell of a lot of PFAS firefighting foam at the time. What investigations is the EPA doing specifically for that area in relation to the source and the origin of those high PFAS levels?

**STEPHEN BEAMAN:** We've done six months worth of pretty intensive monitoring. We've taken 119 samples from 19 locations, and we're using that to—and all of that stuff we've published, so it's all publicly available. All of that information is being used to then focus down on that catchment to identify in a more detailed way what the potential sources are in that catchment. We've been talking to Dr Ian Wright. He's had a student do some work on the wetlands and that thing. We've been trying to organise a time with Ian to go out and do some joint sampling together at that site.

**The Hon. WES FANG:** Mr Rowley, I have two questions for you. The first question is do you ever provide short answers?

**NICHOLAS ROWLEY:** I'll leave that for you to judge, but I try.

**The Hon. WES FANG:** If I was to judge it, I'd suggest not, but that's the reason I asked the question.

**Ms CATE FAEHRMANN:** Says Wes Fang.

**The Hon. WES FANG:** I do appreciate the irony. I was just curious, given that I think Hansard is going to run out of ink publishing your responses to some of the questions. The other question that I had for you is in relation to an answer you gave to the deputy chair around the questions that he was asking. I believe you indicated that in terms of whether the code needed to be followed or not—and I'm paraphrasing—given that there was only the attendees that were listed, plus maybe one or two others, it didn't really matter. Is it the case that the New South Wales Government's employee code is relevant depending on how many people attend? Or is it the case that it applies in all circumstances, no matter how many people might attend an event?

**NICHOLAS ROWLEY:** I would do one of either two things. What I'm going to do first is I can take that on notice, because it's a detailed question in relation to a code which I have a familiarity with, but it's not as if I've got it sitting in front of me that I can comment on. I may ask Anthony if he has any reflections on that, given his position.

**ANTHONY LEAN:** I was going to say for the benefit of the Committee that I'm actually the employer of the staff of the Net Zero Commission; the chair isn't the employer. This is the first I've heard of this matter today. I'm not going to express a view today, but I'll take it on notice.

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**The Hon. WES FANG:** That's fair enough. I accept that, Mr Rowley. I was just curious as to the bracketing and what the extremities were of the response—at what point do you actually think it was appropriate or not. Perhaps on notice we can get an answer to that. Mr Lean, I did question the Minister previously about the issue of synchronous condensers and the direction that the Minister gave to Transgrid in relation to the purchase of five synchronous condensers. I note that the Minister came back to me with a response that in part answered some of the components of the question that I asked. But I would contend that the answer that she then provided gave cause for me to ask further questions. In the response that she gave me, she indicated that the ministerial direction, as published in the *Government Gazette* that I tabled, and the Minister signed on 12 September 2025, was not the whole picture. If that *Government Gazette* doesn't contain the whole picture, where can we find the whole picture around the direction to Transgrid around the purchase of synchronous condensers?

**ANTHONY LEAN:** I don't recall the Minister saying earlier today that that wasn't the whole picture. I think she said, in my recollection, was there may be some ambiguity in the direction. Certainly, what I can tell you is the tender sought to procure a minimum of 950 MVA fault level contribution at the point of connection at each of the five locations. Each point of connection at each site will have two synchronous condensers. That provides a 950 MVA fault level, it provides at least 1,500 megawatts of inertia and delivers continuous reactive power capability equal to 40 per cent of its MVA rating.

**The Hon. WES FANG:** That definition as you've provided to me is different to what is in the *Government Gazette*, which talks about a single unit having no less than.

**ANTHONY LEAN:** I think this is the point about the ambiguity, and we're happy to clarify that. I think where you were going with this was because it's 10 syncons, it must be more expensive. It's worth pointing out that these were procured as part of a procurement process. This proposal that was accepted by Transgrid—I actually had to approve the contract as well—was the best when you weighted price and non-price criteria.

**The Hon. WES FANG:** Acknowledging that, the definition that you've read from is different to what is in the *Government Gazette*. When was that definition produced?

**ANTHONY LEAN:** Sorry, these are the notes that have been provided to me for the purposes of today's hearing. When you look at the direction, there's some complexity with the way different provisions interact. That's the ambiguity that I think is being referred to.

**The Hon. WES FANG:** You said "procurement" and I think you talked about a tender. Where are those documents available for us to peruse?

**ANTHONY LEAN:** I'll need to take that on notice. It was a joint activity where my team was involved in that along with Transgrid as well. I'm not sure whether we hold the documents and make them publicly available given that it's commercial in confidence.

**The Hon. WES FANG:** Is it fair to say that by Transgrid's own admission in the release that I tabled, which had the number two in the top right-hand corner, which was the article or news release that talked about their ability to secure from GE a number of smaller synchronous condensers two years earlier—I believe that was around October; it might've been later October—the original documents that were provided to Transgrid were mirroring the *Government Gazette* documents and that Transgrid came back to you with a proposal to vary it to be two smaller synchronous condensers instead of one at each location? Is that the history of where we are?

**ANTHONY LEAN:** I can confirm that on notice, but my understanding is that the tender provided for that flexibility. We wanted to get the best solution from price and non-price criteria. There are a lot of advantages with smaller syncons. There are less logistical challenges and potentially more flexibility in terms of operation as well. That flexibility was in the tender, and that particular proposal to go with the 10 from one of the suppliers was the one that was preferred.

**The Hon. WES FANG:** In terms of the answer you have just provided, can I glean that they provided two proposals to you—one that satisfied the requirement for five synchronous condensers of a minimum of 1,500 somethings, as per the document that was published in the *Government Gazette*, and the alternate, which was 10 smaller units that they thought they could procure earlier? Is that a fair assumption?

**ANTHONY LEAN:** I'll have to take that away. I'll take that on notice and get the specifics for you. What I would say is it is not unusual, when you run tender processes, to have a detailed specification but to also give bidders the option to bid an alternate, which may, in fact, meet your overall objectives in a far more effective and better way. Whether that's what happened here, I'll have to confirm that.

**The Hon. WES FANG:** I'm sure you can remember though. We're only talking about four months ago. It's not like it's something that's—

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**ANTHONY LEAN:** I wasn't part of the tender process. I approved the ultimate thing.

**The Hon. WES FANG:** Now I'm confused. I'm pretty sure you indicated that you approved—

**ANTHONY LEAN:** I approved the contract, yes.

**The Hon. WES FANG:** I'm assuming that if there were variations to the proposal that were asked for by the Minister, you would need to know about that and indicate that. You've also indicated that you had to balance issues such as cost, availability and seeking to meet the guidelines or the task at hand.

**ANTHONY LEAN:** I didn't say any of that part that you just said at the end.

**The Hon. WES FANG:** You did say that there were balances around cost and availability and the like. Then you talked about how the proponent could perhaps provide a better solution, so I assume you're balancing things around whether it provides a better solution or not. In that circumstance where you're balancing issues, one might presume that you have a number of proposals in front of you, not just one.

**ANTHONY LEAN:** Can I just clarify that? What I said was I will need to come back to you on the specifics of this proposal. It's not unusual, when large tenders like this are run, that you'll have a very clear specification but then the option of bidding an alternative proposal that meets the objectives. That's what I said. I will come back to you and confirm exactly what the situation was.

**The Hon. WES FANG:** In that circumstance, could you take on notice—given that I could keep going down this path but might as well ask you to provide it to me on notice—the number of proposals that were put forward by Transgrid, whether they had pricing for the five synchronous condensers as specified and the additional 10 that were smaller, whether they provided you the pricing for those units and the delivery times? I'm trying to understand now at what point did we commit to these synchronous condensers, knowing that we were going to have to keep Eraring open.

**ANTHONY LEAN:** I'm not sure what the connection is there, but I'll take that on notice.

**The Hon. WES FANG:** I can explain to you what the connection is. The connection is that we are now having to pay for these synchronous condensers, even though Eraring will remain open until at least 2029. In those circumstances, as we've indicated with the \$600 million that consumers are having to pay for in relation to renewable energy projects, we are now going to be hit with these synchronous condensers that are effectively not required because we are continuing to keep Eraring open until at least 2029. I want to know what this is costing us—this little experiment where we keep ordering stuff and keep trying to patch holes and have the consumer pay for it.

**ANTHONY LEAN:** I think it's a mistake to assume that it's one or the other—that you can keep Eraring open and therefore you will never need synchronous condensers. This is an issue where we need to plan for synchronous condensers within the renewable energy zones as well. At some point, all of the coal-fired power stations are going to go, and synchronous condensers are an important part of a modern renewable grid. There are other technologies emerging, which AEMO and Transgrid are working through at the moment—

**The Hon. WES FANG:** Grid-forming batteries.

**ANTHONY LEAN:** —but I don't think it's right to suggest that we could just ditch the synchronous condensers because Eraring is potentially going to stay open for another two years. They could still theoretically close before the nominated closure date of April 2029.

**The Hon. WES FANG:** Mr Lean, you could well be right. However, in circumstances where we are potentially paying over and above what we needed to to have these 10 synchronous condensers arrive earlier than the five that were specified, as per the article from Transgrid, how much extra are we paying for those synchronous condensers to arrive early when, ultimately, Eraring remaining open will provide that grid stability? That's effectively what it does in its operation.

**ANTHONY LEAN:** There's effectively a two- to three-year lead time to secure synchronous condensers at the moment. It is a very tight supply chain. To be frank, we don't have the luxury of waiting. We need to take the steps now. That's what the Government has done and made those decisions based on where they were at at the time. Previously, it was understood that Eraring was shutting, when this agreement was entered into, in April 2027.

**The Hon. WES FANG:** Mr Lean, again, you could well be right. Maybe that is the priority of the Government. However, the Government's priority means that New South Wales energy consumers may be—and I don't know; this is why I'm asking the question about how much we've paid—having to pay for the failed rollout from this Government and the continued rush and scramble around issues like synchronous condensers. When I ask these questions, they are asked with intent. They are asked with a specificity in mind. The fact that you've

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had to take on notice a contract that was settled maybe four or five months ago, because you apparently can't remember, seems to me to be somewhat problematic.

**ANTHONY LEAN:** No.

**The Hon. WES FANG:** Anyway, we'll wait for the answers to come back on notice. That's okay.

**ANTHONY LEAN:** You're asking me very detailed questions, which I'm not comfortable answering on the spot. I am happy to take them on notice.

**The Hon. WES FANG:** But you cannot tell me whether there were two proposals that were put forward or one. Surely, you must be able to remember that. Was there only one proposal put forward by Transgrid or did they put multiple?

**ANTHONY LEAN:** It was a procurement process where Transgrid, with our support, tested the external market for supply of this equipment. I don't remember specifically how many bids were received as part of that process or whether the successful tenderer put in one or two bids. But I will go back and review the paperwork and let you know. I deal with a lot of things in my job.

**The Hon. WES FANG:** I appreciate that, as we all do. In terms of the MT PASA modelling that I raised with the Minister earlier, I will go back and check the transcript but, from memory, I think at one point she said that it was an irrelevant set of modelling. Is that how you would determine the MT PASA?

**ANTHONY LEAN:** I don't recall the Minister saying that.

**The Hon. WES FANG:** We'll check the transcript. I'm pretty sure. I wrote it down.

**ANTHONY LEAN:** As I understand it, the MT PASA is used for a specific purpose. I might get Kim to talk about that. The ESOO is used to model what we think is going to happen with energy reliability over a 10-year period. That is a much more appropriate time frame in which to make planning decisions on things that take a long time to deliver. The MT PASA is something that is much more specific over a two-year period, which is used to help the industry and AEMO plan for outages over a shorter period of time. I'm completely comfortable that the ESOO is the right tool for us to be basing our own monitor reports on.

**KIM CURTAIN:** That was a good answer. The MT PASA is primarily used to help with planning maintenance so that outages aren't happening at the same time and we don't have an impact. It's updated weekly. Generators that are in the market are putting that information in, noting that, over the next two years, there are a number of batteries that are going to be coming in. They are going to be adding more reliability so that MT PASA will change over time as more of the services come in.

**The Hon. WES FANG:** I tried to do this with the Minister but she dismissed it. I am hoping you won't do the same. In circumstances where there is maintenance required in terms of coal-fired power stations, for example, you would expect that there would be highs and lows and it would rise and fall depending on what was expected to be in maintenance at the time. But the modelling that I have seen from the MT PASA from the time when Eraring was due to close until it was moved back into a functional position showed a continual decline in the stability and reliability of the grid. It was regardless of whether there was maintenance or not—as in, the further it went along, the worse it got. Whilst it may be the case that Vales Point or one of the others, like Bayswater, might be offline for maintenance for a couple of weeks and that would impact the MT PASA, the fact that it was decreasing and continually getting worse right up until the modelling then put Eraring back in, when they announced that they were continuing, would indicate to me that there was a very large hole that was going to occur when Eraring was turned off. Do you agree with that supposition, if my modelling is correct?

**KIM CURTAIN:** I'm not the technical expert, but I'll tell you what I know. You're right: The MT PASA was showing that there could be times of unserved energy, particularly around planned maintenance at Vales Point, Mount Piper and Bayswater, as well as some of the gas and hydro units, and them needing to be coordinated, which is similar to what was showing up in our ESTM report, which shows the energy security and also partly why the Minister directed a firming tender to go out to plug a gap that was expected around 2027-28, which has been done.

**The Hon. WES FANG:** Did anyone flag with the Minister that the modelling was showing that there was a huge problem?

**KIM CURTAIN:** The ESTM report that we put up, and what AEMO put out previously as well, was showing the same thing—that there were times when we needed to plug a gap, and that's why the firming tender was done. There are six very large batteries all coming online in a small space of time. We use that information that's showing where we think there will be issues in the future to guide the work that we do so that we're plugging the gaps where we need to and at the right times.

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**Ms ABIGAIL BOYD:** Good afternoon. I start by asking about my favourite topic: coal ash. It's probably a question for you, Mr Chappel. What has the EPA done so far in relation to all of the actions that were assigned to it in relation to the Government's response to the coal ash inquiry from back in 2019-20?

**TONY CHAPPEL:** All the EPA's actions are complete. I think the NSW Health-led study, which I mentioned earlier this morning, is not yet finalised. But we expect that to be finalised this year as well.

**Ms ABIGAIL BOYD:** What about the independent assessment and environmental impacts?

**TONY CHAPPEL:** I'm almost certain all the EPA's actions are complete, but perhaps I can get you some more detail on notice on that specific one.

**Ms ABIGAIL BOYD:** Yes, I haven't seen it published. If I could see it, that would be excellent. Probably back to you, Mr Lean, and the \$1 billion of the Energy Security Corporation. Has any of it been spent as yet?

**ANTHONY LEAN:** My understanding is that they are in discussions with a number of potential projects, but they haven't yet closed a deal at this point.

**Ms ABIGAIL BOYD:** So not yet.

**ANTHONY LEAN:** They only started officially on 1 July last year, so the board was only appointed then. They do have a period of time to ramp up.

**Ms ABIGAIL BOYD:** The \$1 billion was assigned to the corporation before it was established. We've been following it for a number of years.

**ANTHONY LEAN:** It is spread over a couple of years.

**Ms ABIGAIL BOYD:** But no money has been spent. Where does that \$1 billion live at the moment? In terms of the budget, where does it sit?

**ANTHONY LEAN:** Can I take that one on notice?

**Ms ABIGAIL BOYD:** Yes. I'm just curious. Is it in a fund somewhere? Is it earning money? What's happening with it? Is it a notional \$1 billion?

**ANTHONY LEAN:** It's held in a special purpose account that Treasury oversees.

**Ms ABIGAIL BOYD:** In relation to the gas decarbonisation road map, why is the industrial sector, namely small to medium industries, not included within the scope of the gas decarbonisation road map?

**ANTHONY LEAN:** I'm not sure. I might see if my colleague Ms Curtin is able to answer that.

**KIM CURTAIN:** What was the question? Who's not included, did you say?

**Ms ABIGAIL BOYD:** Yes. The small to medium industries are not included within gas decarbonisation within the road map.

**KIM CURTAIN:** I'll double-check with the team. I don't think it's right that they're not included. There's a number of different elements to the decarbonisation road map. We've got three stages that we're working through. The first stage is really looking at providing clarity of the role of gas in New South Wales during the transition and looking at key challenges around managing gas adequacy. Stage two is focusing on households and businesses, in particular, to reduce reliance on gas through electrification and energy efficiency. That would bring in smaller businesses as well. Stage three is looking at the broader issues of transition, like the issues around declining gas customer base, how we'll be following completion of the stage two reforms, and how we work through those issues that arise.

**Ms ABIGAIL BOYD:** That doesn't accord with my understanding that the road map will only include gas decarbonisation pathways for households and small businesses but will exclude small to medium industries such as food, beverage, leather and paper, which predominantly use gas for heat processing, which is about 12 per cent of New South Wales's gas total use. Are they included?

**KIM CURTAIN:** We do have a number of programs focused on that area. Maybe I'll take on notice—I can give you the specifics. But there are a number of programs that do provide support for that part of the market. I'll take it on notice and give you the specifics.

**Ms ABIGAIL BOYD:** Just back on coal ash—probably for you again, Mr Chappel—with the announcement that Eraring is going to stay open a couple of years later, what consideration has been given to the additional amounts of fly-ash that we're going to have coming out of that station? Do we think that the existing

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dam—they had that extension a couple of years back that the Government half paid for. Do we think that that is now going to be sufficient and the extent of how much ash dam storage they'll need?

**TONY CHAPPEL:** Our current understanding is it will be. I think a large proportion of that new ash is being re-used directly. But let me give you a detailed answer on notice.

**Ms ABIGAIL BOYD:** Perhaps also on notice—I've been very keen to follow what's happening with the wall safety at Eraring. I understand that a lot of the risk and the focus has gone away because there's no longer the Myuna Bay rec centre sitting in the path of where the coal ash would come if there was to be an accident. Has there been any more recent reports from the dams safety commission or anything else that can give us an indication of what that's looking like at the moment?

**TONY CHAPPEL:** I'm very happy to take that on notice.

**The CHAIR:** Can I ask Mr Chappel about the EPA staffing issues, to the extent you can assist the Committee. What's the actual cost savings of the initial restructure to the labour employee cap?

**TONY CHAPPEL:** I may have to take the specific numbers on notice, Chair. I'll just see if I have—

**The CHAIR:** That's no problem. Another similar one is: What is the actual cost savings of the finalised restructure to the labour employee cap?

**TONY CHAPPEL:** Sure.

**The CHAIR:** One of the things that's put to me—I'm always a bit uncomfortable about these things, but it's a reality of what happened. There was a particular individual who was the executive director—I won't name that person for the purpose of the hearing. The ED was tasked with designing the restructure and was taken offline to do that very work and put in an additional ED position but then resigned the day before the restructure was finalised in December last year. Do you accept that, whilst there may be whatever reasons for that, there is currently difficulty that some members of the EPA staff are experiencing with the credibility and the confidence in the restructure? Is there something you can say to assist people to understand what happened?

**TONY CHAPPEL:** The first point to be really clear on is the person you're referring to wasn't tasked to lead the design of the new model or the restructure. They were tasked to oversee the consultation process and engagement across the EPA. The entire executive collaboratively went through a number of different iterative processes to land on the proposed operating model, which we then consulted on with all of our people and we very materially refined further in response to that feedback. I don't think I'm able to talk specifically about any individual's private circumstances. The senior executive targets that the EPA has to reach are clear. I think we have to go from 33 to 27 senior executive roles by June. The secretary has referenced that process that's underway and we'll definitely meet that government target. If anyone has that misunderstanding, I hope what I've said clarifies that this person wasn't tasked to design the outcome that we've landed on after further refinement through the consultation process.

**The CHAIR:** In terms of your responsibility as CEO, what do you think is—restructures are hard, obviously. But what do you think in terms of the health and wellbeing of the organisation now and where you're at in that restructuring process?

**TONY CHAPPEL:** I think it's definitely moving in a positive direction. It's always a difficult balance to signal to the workforce that significant change is coming and is required, without being able to share the detail of that—versus the alternative of not sharing that and then the risk is you surprise people and it's more impactful on them at that point. I very much erred towards the first approach. I believe that's the right approach. The very strong feedback from our people was, "If change has to come, please move through it as fast as possible." Again, you're trying to balance how quickly you can move through that with meaningful engagement, refinement, stress testing, any proposed changes. I think we landed that balance quite well.

I'm really pleased that we've been able to place—I think we had a total of 180 permanent staff impacted in various ways through the change process. I think over 90 of those have now been placed in new permanent roles, and we've got a rolling process that's only open to EPA staff to apply for other vacancies. Then at the same time they're also able to apply for or rematch to roles in other parts of the department or the sector where they're a good fit. We're moving through that as well as we can. It's not easy—and I don't mean to imply it's easy—but I think on the other side of this, when we stand up the new structure, which we are aiming to do in April, we will have a very effective regulator that is better equipped to face the challenges that we face.

**The CHAIR:** Is it you, Mr Lean, on the Great Koala National Park and the boundary establishment, or Ms Graham? This is a very specific thing. From what I understand, with the boundary announcement yesterday, there has been some rationalisation of the boundaries around the plantation areas that obviously Forestry

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Corporation will maintain management of. There is, as we can ascertain, a buffer of sorts between the park and the boundary and the plantation. At the moment, we understand that those areas will be categorised as forest management zones, FMZ 3Bs. Obviously that's a matter for the Forestry Corporation. But it would be good if you could note that they should be FMZ 3As, because in 3Bs you still are able to do intensive logging. I'm curious whether you've considered that in terms of the integrity of the boundaries and the edges of the national park where they're close to plantation.

**ALEX GRAHAM:** It's a good question. If I could invite Ms Harrup up to respond to that—because she's got more specific information around it.

**TRISH HARRUP:** The intention with those, as you have said—they're to provide the buffers. The intention is absolutely that those areas would not be available for harvesting and would remain outside of the plantation zones. We'll look at what activities can occur in 3A and 3B and see what can be accommodated. But there will be a need for some activities to take place in those areas to support the Government's commitment to maintain access to the plantations.

**The CHAIR:** There was concern about—we think that possibly there's been a mix-up. They should be 3A and not 3B and, if they are 3B, it would be good to know that for sure.

**TRISH HARRUP:** We just need to look at what's permissible under each of those zones to make sure it's compatible with what needs to happen.

**The CHAIR:** Mr Lean, earlier the Minister indicated—or you indicated to the Minister and she indicated to the Committee—about park establishment targets, protected area network targets. Could you elaborate a little bit more on what work is happening within the department?

**ANTHONY LEAN:** So there are two pieces of work underway. There's a revised parks establishment plan being developed at the moment. One of the things that's being looked at is how that plan can support the broader objectives—national targets and objectives and also international ones—with the big caveat, of course, of what the Minister said about 30 by 30 et cetera. Separately, we're developing the nature strategy, and the intention of that is to set targets across a range of different areas, whether it be threatened species recovery, protected area management—noting that protected areas capture both public protected areas but also private land conservation as well—abundance, habitat quality, all of those sorts of things as well. So those targets are being thought through at the moment.

**The CHAIR:** Is there any contemplation about an actual reserve target? For example, as the Minister said, we're at—what did she say, her number? We're over 10, nearly 11 per cent; whereas, for example, Victoria is nearly double that. They're a smaller land area. We are really, really quite—in terms of New South Wales being a progressive, fabulous State, we're laggards. We just aren't building that reserve system. I'm just curious about where—is there research that's suggesting to you, informing your work, that actually having a reserve target would be helpful?

**ANTHONY LEAN:** It's an issue that's being looked at in the development of the nature strategy. Ultimately, it'll be Government to decide whether it does want to have a target or not and, if it does, what that target should be.

**The CHAIR:** So you think that's a political question rather than a—

**ANTHONY LEAN:** It's a policy question for Government.

**The CHAIR:** Is there anything that's feeding into your advice? You say "the international stuff". The High Ambition Coalition, for example—which is really well informed from the research I can see—talk about that as not just a policy question. It is actually a science question. It is about the resilience of a protected area network and system. Is that something that your department—

**ANTHONY LEAN:** We're looking at a lot of different options. Some people might say it's better to build targets exclusively around ecosystems and their condition and recovery, rather than focusing on land that's contained within protected areas. They're things that we will advise Government on, and they will make a decision.

**The CHAIR:** Mr Chappel, can I just ask you about—there was an issue of arsenic contamination in Little Newry State Forest. It was raised, and I think there was some independent expertise that had views about what was happening. And there were, certainly, community that were very engaged around it. I also understand that EPA had a look at the issue but that there is, potentially, some difference in what the community says and what the EPA says. What qualifications and expertise did the EPA rely on when accepting advice that the arsenic contamination in Little Newry was unlikely?

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**TONY CHAPPEL:** We did extensive sampling, consistent with NATA-accredited methodologies, and would have been analysis from the relevant experts in the department. Mr Beaman, I think, can give you some further detail, but I think that area does have naturally occurring levels of some of those chemicals.

**STEPHEN BEAMAN:** Thanks, Mr Chappel. That work and that assessment was actually undertaken by our water technical advisory team. They're the expert water quality people in the State that do all of our assessments at the EPA. So they're highly experienced and highly qualified in the work they do.

**The CHAIR:** In one of the documents that I've been given—it's from a particular person. I won't name that person, but they're from soil and ecology, technical AWNSG. That's the group.

**STEPHEN BEAMAN:** Air, water, soil, gas.

**The CHAIR:** That's the group. This particular expert says to the team:

Hi All,

I have attached a (casual and brief) synopsis of yesterday's field trip to inform ... I am no subject matter expert and the attached contains my observations and opinions only.

Then that seems to be the basis, following on through certain documents. The comments from that as it starts follows:

... my feeling is that the risk of arsenic mobilisation at the 2 mine sites is negligible.

**STEPHEN BEAMAN:** That work was actually signed off by the director of that area. You're looking at, probably, officer conversations there, and I don't know who they are, but the—

**The CHAIR:** No, and I don't feel the need to—I'm asking you more about—it's a bit of an insight. As I understand it, the opinions formed, the conclusion formed by the EPA is that there was nothing—it was negligible; there was really nothing there. Whereas the community who have undertaken their own sampling, who have analysed the data, had a really clear look, say it's really clear that there is a change and arsenic spikes in the water, and this is the water catchment.

**STEPHEN BEAMAN:** But there is naturally occurring arsenic in that location.

**The CHAIR:** Nobody's disputing that. But it was the spikes that correlated directly with the logging that took place and the heavy machinery in those areas. What is it that the community is meant to rely upon when they see things like that?

**STEPHEN BEAMAN:** Again, I don't know what document you're looking at, but the work I know was actually reviewed by our water specialist and actually signed off by the director of that area, who are extremely competent and professional individuals.

**The CHAIR:** I might put some questions on notice, about—

**TONY CHAPPEL:** We also collected samples, so we're happy to take a detailed question and come back with the relevant science that was relied upon.

**The Hon. WES FANG:** I've got two questions, which I reckon I can get off in two minutes. How many brumbies have we shot?

**ANTHONY LEAN:** I'll have to take that on notice. There hasn't been—the only activity that's been happening is in the removal zones. It's only been occurring as part of a broader pest control program. So there's been no removals in the—

**The Hon. WES FANG:** When you say "removals", do you mean live removals or not?

**ANTHONY LEAN:** No horses have been aerially shot in—

**The Hon. WES FANG:** Thank you.

**ANTHONY LEAN:** I can actually give you a number if you just give me a moment. Alex has got the number.

**ALEX GRAHAM:** Are you referring specifically to Kosciuszko?

**The Hon. WES FANG:** Yes. Why? Where else have you shot brumbies?

**ALEX GRAHAM:** We have programs in other parks.

**The Hon. WES FANG:** That's fine.

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**ALEX GRAHAM:** We've removed 9,198 horses from KNP.

**The Hon. WES FANG:** And that's since—

**ALEX GRAHAM:** I'll have to take that on notice.

**The Hon. WES FANG:** No worries.

**ANTHONY LEAN:** The number you're specifically interested in is since—

**The Hon. WES FANG:** Since we repealed the wild horse heritage bill.

**The CHAIR:** Wasn't that in December?

**The Hon. WES FANG:** Yes. It's fine. That's good. We've got the number.

**ALEX GRAHAM:** That number doesn't relate to the last two months.

**The Hon. WES FANG:** I figured that. I know you kill a lot, but that's a lot. Speaking of shooting horses, has the Minister finalised the issue of the private horses that were shot in what was to be a new national park, that my colleague Scott Barrett raised? That's been finalised?

**ALEX GRAHAM:** Yes. We conducted a review, investigated what occurred. That's been finalised and a copy of the report has been provided to the horse owner, along with an offer to proceed with compensation.

**The Hon. WES FANG:** Is that report going to be public?

**ALEX GRAHAM:** Yes.

**The Hon. WES FANG:** When will we see that?

**ANTHONY LEAN:** We're waiting for a response from the landowner.

**The Hon. WES FANG:** Thank you.

**The CHAIR:** Mr Chappel, I'm just going to go back in particular to alleged unlawful land clearing in the Narromine-Dubbo area, particularly on public land. I think we've had a previous discussion quite a while ago about it. I'm just curious, has the EPA undertaken any investigative work about land clearing on public lands in those Narromine and Dubbo areas?

**TONY CHAPPEL:** The EPA regulates Crown forestry and State forests, and then private native forestry on private land, but we're not the appropriate regulatory authority for land clearing on public land outside forestry operations.

**The CHAIR:** Does the EPA ever receive complaints about it?

**TONY CHAPPEL:** We certainly would, but we'd share them with the relevant colleagues in the department who are probably the appropriate regulator. I'm happy to take any other specifics on notice.

**The CHAIR:** Mr Lean, are you aware of any complaints that you've received from the EPA through their environment line that they've referred onto you, about clearing of Crown lands, travelling stock routes, and so forth?

**ANTHONY LEAN:** I'm not aware of any specific complaints, but I'll defer to my colleague, Mr Bruce.

**BRENDAN BRUCE:** We'll have to take that one on notice. I'm not aware of anything.

**The CHAIR:** I'm very interested to know if specific allegations of land clearing from the financial year starting 2023 to now, whether you have received any referrals of complaints and concerns from the EPA, or direct from the public, particularly in that Narromine local government area, and, if so, whether there's been any investigations around that.

**BRENDAN BRUCE:** Yes, we can take that on notice.

**The CHAIR:** Thank you. We're now into—

**The Hon. WES FANG:** Sneak it in. You know you wanted to ask another one. I know you were; I can tell.

**The CHAIR:** I was about to.

**The Hon. PETER PRIMROSE:** I take the point. A complicated one: Are there any matters on which any witness would like to elucidate?

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**ANTHONY LEAN:** I have a couple of things that I wanted to mention. In response to Mr Fang's question around the respective shares for the different distribution network services providers, I misspoke. I said 99.6 million was Endeavour's share. In 2024-25 it was 96.6, not 99.6.

**The Hon. WES FANG:** They appreciate the \$3 million discount that you've provided to them.

**ANTHONY LEAN:** That was that. Just on sharks, just to clarify, as well as councils having a role in providing warnings and assisting with public safety, National Parks would also have a role in that, which went to Ms Munro's question. She also asked what did "limited" mean in terms of the information reliability standard for native mammal population and distribution, in that SOE report. The limited indicator reliability is used where the data coverage is patchy and uneven in quality, or there may be some inconsistencies in the supporting information, so caution is needed in considering the ratings and interpretations. That's actually in the SOE report.

**The Hon. JACQUI MUNRO:** My question, just to be clear though, wasn't about what it meant; it was whether there were any measures or policies that were being undertaken to address that it was limited.

**ANTHONY LEAN:** Okay. We'll come back to you on that one. I think Alex has some clarifications as well.

**ALEX GRAHAM:** Yes, to clarify a response that I provided to you, Ms Munro, in relation to the grid that you talked about—that's referring to the Parks Eco Pass activity and location conditions spreadsheet—it is updated fairly regularly, approximately every quarter. For example, I think you mentioned quad bike tours. They are permitted in 72 parks. However, that doesn't mean that there are tour operators operating in 72 parks.

**The Hon. JACQUI MUNRO:** I understand. It's permissible—yes.

**ALEX GRAHAM:** We only have a couple of licences for quad bike tours in parks in New South Wales at the moment. So whilst it does seem like a high number of permissible activities across parks, these licences are subject to a range of conditions on a case-by-case basis. It's assessed by National Parks prior to the licences being provided.

**The Hon. JACQUI MUNRO:** Thank you.,

**ALISON PEPPER:** I just wanted to clarify your questions about the review of the Biodiversity Conservation Act, and what's being done. There are 22 actions in part A of the plan for nature that relate to the Biodiversity Conservation Act. Four of those actions are to establish new biodiversity architecture. Three of those are in progress and one is at the scoping and development stage. There are 18 actions under the six reform pillars. Seventeen of those are in progress. Two are LLS led and one is at the scoping stage. In terms of your question about the number of recommendations from the review, there were 58 recommendations, 49 were supported or supported in principle, and nine were listed for further consideration. At the back of the plan for nature you can see how they relate to the actions.

**The Hon. JACQUI MUNRO:** Thank you.

**ALEX GRAHAM:** Just in response to your question, Chair, about the independent experts for the koala translocation review report, they are Peter Menkhorst, who specialises in koala population and translocation science, Dr Michael Lynch and Roger Martin—they are the three independent experts.

**The CHAIR:** Do you know what they're attached to? Sorry, whether they are part of a particular institution or academy?

**ALEX GRAHAM:** They're well-regarded and well-known scientists.

**The CHAIR:** I'll look for them.

**ALEX GRAHAM:** The information will be provided as well with the report, because their responses will be provided when the report is published. What I can say about Peter is that he's an ecological consultant and he's got over 45 years of government research experience in koala science. Dr Michael Lynch, he's a wildlife veterinarian with more than 30 years experience, including leadership at Melbourne Zoo. Roger Martin, he's a wildlife biologist and koala researcher, and a renowned scientist in koala ecology and behaviour.

**ANTHONY LEAN:** Last one, just for Mr Fang: The total number of horses removed from KNP since the 2024 survey—that's the last data point that we have—is 246. Aerial shooting was 72 of those, there was eight ground shooting, 157 rehoming and nine euthanised or other deaths.

**The Hon. WES FANG:** I like those ratios better.

**The CHAIR:** We can do that now, now that they're almost—

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**The Hon. WES FANG:** Now that they're almost all gone. I'll swear you in if you'd like—

**The CHAIR:** Thanks, Wes. That's everything. The Government is finished?

**The Hon. PETER PRIMROSE:** Yes, I'm very happy with those answers.

**The CHAIR:** On that basis, thank you to all you government officers for your attendance today. The Committee secretariat will be in touch in the near future regarding any questions taken on notice, and any supplementary questions. You know we're all grateful for your time and your attendance. Thank you.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**