

# PORTFOLIO COMMITTEE NO. 7 – PLANNING AND ENVIRONMENT

Friday 13 September 2019

Examination of proposed expenditure for the portfolio areas

## ENERGY AND ENVIRONMENT

<b>UNCORRECTED</b>
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The Committee met at 9.30.

### MEMBERS

Ms Cate Faehrmann (Chair)  
The Hon. Niall Blair  
The Hon. Mark Buttigieg  
The Hon. Catherine Cusack  
Mr Justin Field  
The Hon. Mark Latham  
The Hon. Shayne Mallard  
The Hon. Mark Pearson (Deputy Chair)  
The Hon. Adam Searle  
Mr David Shoebridge  
The Hon. Penny Sharpe

### PRESENT

**The Hon. Matt Kean**, *Minister for Energy and Environment*  
**The Hon. Ben Franklin**, *Parliamentary Secretary for Energy and the Arts*  
**Mr James Griffin**, *Parliamentary Secretary for the Environment and Veterans*

### 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**





**The CHAIR:** Welcome to the public hearing for the inquiry into the budget estimates 2019-2020. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land, and I would also like to pay my respects to the Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginal people present. I welcome Minister Matt Kean, the Hon. Ben Franklin, Parliamentary Secretary for Energy and the Arts, and Mr James Griffin, Parliamentary Secretary for the Environment and Veterans, and accompanying officials to this hearing.

Today the Committee will examine the proposed expenditure for the portfolio of Energy and Environment. Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness can only answer if they have more time or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you.

Transcripts of this hearing will be available on the web from tomorrow morning. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. The same applies to the Hon. Ben Franklin and Mr Griffin. I would also like to remind Mr Shaun Smith and Mr James Hay from the Department of Planning, Industry and Environment that you do not need to be sworn as you have been sworn at an earlier budget estimates hearing.

**MICK PETTITT**, Director, Southern Ranges, National Parks and Wildlife Service, Department of Planning, Industry and Environment, sworn and examined

**SHARON MOLLOY**, Acting Executive Director, Biodiversity and Conservation, Department of Planning, Industry and Environment, affirmed and examined

**ATTICUS FLEMING**, Deputy Secretary, National Parks and Wildlife Service, Department of Planning, Industry and Environment, affirmed and examined

**ANISSA LEVY**, Coordinator-General, Environment, Energy and Science, Department of Planning, Industry and Environment, affirmed and examined

**MARK GIFFORD**, Acting Chief Executive Officer, NSW Environment Protection Authority, Department of Planning, Industry and Environment, affirmed and examined

**MICHELLE DUMAZEL**, Executive Director, Policy Division, Environment, Energy and Science Group, Department of Planning, Industry and Environment, affirmed and examined

**JAMES HAY**, Acting Deputy Secretary, Energy, Climate Change and Sustainability, Department of Planning, Industry and Environment, on former oath

**The CHAIR:** I declare the proposed expenditure for the portfolio of Energy and Environment open for examination. All witnesses, including the Minister, the Hon. Ben Franklin and Mr Griffin, will be questioned in the morning session. After a lunch break we will continue questioning government witnesses. The Minister, the Hon. Ben Franklin and Mr Griffin will not be questioned in the afternoon and evening sessions. The Government is not asking questions today, so the morning session will finish at 11.30 a.m. As there is no provision for any witness to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

**The Hon. ADAM SEARLE:** Minister, on 18 June this year the Premier assured "every rural and regional community that their government jobs are protected". How is it then from July onwards that Essential Energy—a 100 per cent State-owned electricity company—was able to propose 182 immediate job cuts, with a further 500 job cuts to take place by 2024, when it is so clearly against the stated policy of the Premier?

**Mr MATT KEAN:** I am very proud as the Minister for Energy to have stepped in and protected rural and regional jobs. I have protected those jobs; I have halted it.

**The Hon. ADAM SEARLE:** Minister, that was not the question. The question was : How did it come about that Essential Energy was able to propose these job cuts when it was contrary to the Government's policy? How did it come about?

**Mr MATT KEAN:** Mr Searle, I do not need to remind you that Essential Energy is a State-owned corporation, and the CEO of Essential Energy runs that operation as if it is a private sector entity—he reports to a board—but when it became apparent that the decisions of that entity were contrary to government policy the Government stepped in. I am proud to have stood up to protect the jobs of regional workers and I am not going to apologise for that. I am proud that the Liberal Government is the champion of the workers in this State.

**The Hon. ADAM SEARLE:** Given the clear policy stated by the Premier, and I think even the Deputy Premier, did you as the portfolio Minister notify Essential Energy's board of the Government's policy about protecting rural and regional jobs, as you can under section 200 of the State Owned Corporations Act? Did you notify them of that policy?

**Mr MATT KEAN:** The policy of the Premier was made public; it was a public statement. I assumed that the board, like the CEO, like everyone in the community, saw the statements by the Premier.

**The Hon. ADAM SEARLE:** Yes, but under the State Owned Corporations Act you as the portfolio Minister can notify the board of a public policy and that would be binding on the board, but you did not take that step, did you?

**Mr MATT KEAN:** We were working through the proper processes. The process was that Essential Energy was making decisions how to best run that organisation in an efficient and effective way. They made a decision, which was contrary to government policy. When that became apparent, the Government stepped in and took appropriate action. I am proud to have done that, to stand up for the jobs of rural and regional workers.

**The Hon. ADAM SEARLE:** Sure, but that would not have happened if you had notified the board under the State Owned Corporations Act, as you could, about the government policy, which would have then been binding on them and we would not have had this whole drama.

**Mr MATT KEAN:** The fact of the matter is that Essential Energy took a decision to reduce the costs of energy and the management of the distribution system and they looked at a number of ways to save costs, one of which was job losses. As soon as that became apparent the Government did step in, did take appropriate action to halt that process and take that area of cost savings off the table.

**The Hon. ADAM SEARLE:** But the fact is, Minister, that the Government had no policy about protecting rural and regional jobs; it was just something the Premier said, something the Deputy Premier said, and you were caught out by Essential Energy. That is the case, is it not

**Mr MATT KEAN:** That is not the case at all. The reality is no-one has done more for the regions than this Government. We have seen the biggest investment in infrastructure ever in the bush. We have seen more jobs created in the bush than at any time in this State's history. This Government is a friend of workers in the bush and I am proud to be the Minister that stepped in and halted the job losses for Essential Energy workers.

**The Hon. MARK BUTTIGIEG:** Can I ask, Minister, if the Government has a position that there are no rural or regional job losses and does not communicate that to the CEO of a 100 per cent State-owned corporation, and in the meantime we are forgetting the human cost of this—there are workers out there who went through psychological stress not knowing if they were going to have a job because you could not be bothered communicating to the CEO of Essential Energy—are you oblivious to these sorts of human effects?

**Mr MATT KEAN:** Mr Buttigieg, everyone is happy that the Government stepped in to protect rural and regional jobs. I have a press release from the Electrical Trades Union [ETU] who say, "Our members could not be happier with the announcement that these job cuts have been halted"— **The Hon. ADAM SEARLE:** But it took a while to get there.

**Mr MATT KEAN:** —"and Minister Matt Kean and the Deputy Premier John Barilaro deserve genuine praise." Mr Buttigieg, you just do not like good news.

**The Hon. MARK BUTTIGIEG:** There is an intervening—

**The Hon. NIALL BLAIR:** Point of order—

**Mr MATT KEAN:** You just do not like good news. That is the problem.

**The CHAIR:** Order ! A point of order has been taken by Mr Blair.

**The Hon. NIALL BLAIR:** Let us set some parameters early in the day. This is going to be a long day if members proceed to shout over the top of the Minister after asking him a question. Hansard will not be able to record what is happening. The Minister needs to be given the opportunity to answer the question without being shouted over.

**The CHAIR:** We should encourage robust discussion in budget estimates. I am sure the Minister is able to handle that but please try not to speak over the top of the Minister when he is responding to a question. Allow him time to respond.

**The Hon. MARK BUTTIGIEG:** Just one more follow-up question before I let my colleague take over again. Minister, are you saying that an intervening period of some five to 10 weeks, where apparently the shareholding Minister is oblivious to what his CEO is doing to people's jobs and livelihoods, is quite acceptable because "eventually he will communicate it to me and I will fix it"? Is that what you are saying?

**Mr MATT KEAN:** What a ridiculous proposition, Mr Buttigieg.

**The Hon. MARK BUTTIGIEG:** Really?

**Mr MATT KEAN:** What a ridiculous proposition. The reality is that New South Wales is going through the worst drought in the State's history. That is having a devastating impact on rural and regional communities so, obviously, the Government is going to take measures to protect jobs, given the impact that job losses would have in the regions. That is exactly what we did, Mr Buttigieg. I can see your frustrations are that this Government has done more to protect workers, done more to protect the members of the Electrical Trades Union [ETU], than you have done since you have been a member of Parliament. The ETU is pretty happy with what we have done.

It has said that we have done a great job in standing up for the workers in this State. I am very proud to have been the one who has done that.

**The Hon. ADAM SEARLE:** Minister, Essential Energy has shed something like 2,000 jobs in the last four years. This document, entitled *Organisational Reshaping: A Consultation Briefing*, dated July this year, sets out slashing another 600-odd jobs, nearly 700 jobs. When did Essential Energy commence putting that plan together?

**Mr MATT KEAN:** I missed the opening part of your question. Could you refer me to the document again?

**The Hon. ADAM SEARLE:** This is the document—*Organisational Reshaping: A Consultation Briefing*—authored by Essential Energy, dated July of this year. It charts the 182 job cuts by September this year, with a further 500 job cuts by 2024. When did Essential Energy start putting that plan together?

**Mr MATT KEAN:** I am not aware of when they started putting that plan together.

**The Hon. ADAM SEARLE:** When did you become aware of it?

**Mr MATT KEAN:** I believe that plan has been publicly available for some time. I understand that Essential Energy flagged 182 job cuts. That is why the Government stepped in to halt them because there are special circumstances occurring in the bush at this time, which is the worst drought in living memory.

**The Hon. ADAM SEARLE:** So you were not aware of the plan. When did you become aware of it?

**Mr MATT KEAN:** I am aware that Essential Energy—

**The Hon. ADAM SEARLE:** No. When did you become aware of the plan?

**Mr MATT KEAN:** The specific details of the plan? I have not seen a copy of the plan, Mr Searle.

**The Hon. ADAM SEARLE:** When did you become aware that they proposed cutting—

**Mr MATT KEAN:** I am aware that Essential Energy has had plans in place to deliver more affordable, more reliable energy to the citizens of rural and regional New South Wales. That is a piece of ongoing work and the Government supports any strategies to deliver more reliable, more affordable energy in this State.

**The Hon. ADAM SEARLE:** When did you become aware of Essential Energy's plan to cut the 182 jobs?

**Mr MATT KEAN:** When did I become aware of its plan? I was notified by Essential Energy—

**The Hon. ADAM SEARLE:** When?

**Mr MATT KEAN:** I will take this on notice to get the exact date but I got a briefing note from Essential Energy at the end of June, I believe.

**ANSWER:**

Essential Energy provided a briefing note to me on 27 June 2019.

**The Hon. ADAM SEARLE:** Did you discuss that plan with the Premier, Deputy Premier or anyone in the Government?

**Mr MATT KEAN:** I made sure that the relevant shareholder Ministers were alerted to the plan as soon as I became aware.

**The Hon. ADAM SEARLE:** What did you decide to do at that point? Nothing. That is the case, is it not?

**Mr MATT KEAN:** What did I decide to do at that point?

**The Hon. ADAM SEARLE:** Yes, you are the portfolio Minister. It took you five weeks to act.



**Mr MATT KEAN:** Mr Searle, as you know, we have a system of collective responsibility in New South Wales and we go through our normal processes to decide how we respond to certain issues. This is no different. This one also has budgetary implications so it is obvious that we would go through the proper processes of government before making a decision.

**The Hon. ADAM SEARLE:** Finally, after five weeks of brawling in your Government, on 20 August I think you said in Parliament—and you issued a press release—that it was your intention to issue a direction to Essential Energy to halt the proposed job cuts. That is under the State Owned Corporations [SOC] Act 1989. Is that correct? Was that your intention?

**Mr MATT KEAN:** That is correct; to issue a direction, yes.

**The Hon. ADAM SEARLE:** Have you issued the direction?

**Mr MATT KEAN:** No. We have not formally issued a direction yet.

**The Hon. ADAM SEARLE:** Why not?

**Mr MATT KEAN:** The reason we have not formally issued the direction—

**The Hon. ADAM SEARLE:** It has been 23 days, Minister. Why have you not issued the direction?

**Mr MATT KEAN:** Because we work through proper process in this Government.

**The Hon. ADAM SEARLE:** Yes, I can read the legislation, Minister.

**Mr MATT KEAN:** We work through the proper Expenditure Review Committee [ERC] process to make sure that we dot the i's and cross the t's and we have the funds available. As you would know, under the SOC Act we have to compensate Essential Energy for halting the job cuts. We will be going through the proper processes to make sure that we are able to compensate it in the appropriate way.

**The Hon. ADAM SEARLE:** When will the direction be issued?

**Mr MATT KEAN:** The direction will be issued as soon as it goes through our ERC process?

**The Hon. ADAM SEARLE:** What is the time frame?

**Mr MATT KEAN:** That is a matter for the ERC. A draft direction has been provided to the relevant Ministers. I do not sit on the ERC so please feel free to direct your questions to those members who do sit on the ERC.

**The Hon. ADAM SEARLE:** You do not really want to issue the direction, do you?

**Mr MATT KEAN:** That is not true.

**The Hon. ADAM SEARLE:** It took you five weeks!

**Mr MATT KEAN:** I am proud to be a champion for rural and regional workers. I am proud to stand up for the workers of Essential Energy, which is exactly what I did. Given the opportunity to stand up for them, that is exactly what I did, Mr Searle.

**The Hon. ADAM SEARLE:** Your Government only took—

**Mr MATT KEAN:** Many people are very happy about that, Mr Searle, including your friends in the ETU who said that, again, I deserve genuine praise for my efforts to find a solution that could keep these regional workers employed. Everyone seems to be happy about this but you, Mr Searle, because you hate good news. You hate the fact that we have stepped in and protected rural and regional jobs. We are the party of the worker and that is the mantle that was stolen from you. I am very proud to have stolen it off you.

**The Hon. PENNY SHARPE:** You are stealing Mr Tudehope's lines. You two have been colluding.

**The Hon. ADAM SEARLE:** Minister, this saga dragged on for five weeks or more. On 15 August the Deputy Premier was complaining to his Nationals colleagues in the media that he was brawling with the Liberals over these job cuts without success. You were one of those people he was having a disagreement with, weren't you?

**Mr MATT KEAN:** That is not true. I have a very constructive working relationship with the Deputy Premier. We work to get great outcomes for the bush together, just like we did with Essential Energy. I am not

going to apologise for that. I am not going to apologise for standing up for the workers. I am very proud to have worked with your colleagues in the ETU. I think that they were more impressed with my efforts than your efforts with regard to saving those jobs. My door is always open to work with good people who want to get great outcomes for the citizens of this State. This issue is no different.

**The Hon. ADAM SEARLE:** The media was awash with Mr Barilaro's complaints about the fruitless negotiations that went on for weeks. You said you had those discussions and they were very fruitful. What discussions did you have with the Treasurer, as the shareholding Minister for Essential Energy, about the job cuts and when did you have those conversations?

**Mr MATT KEAN:** I am in regular contact with all my colleagues about the issues in my portfolio. I do not have specific dates of exact conversations but everyone in the Government was united in their desire to protect rural and regional jobs, particularly in the worst drought in living memory. The Essential Energy situation posed a particular challenge. We have asked Essential Energy to find other ways to make savings that will reduce bill pressure on rural and regional customers. It has undertaken to do that. We will let it work through that process and I look forward to it finding other potential ways to save money for customers in the bush.

**The Hon. ADAM SEARLE:** What discussions did you have with the Deputy Premier during this time?

**Mr MATT KEAN:** I have had a range of discussions with the Deputy Premier: about river red gums, brumbies—

**The Hon. ADAM SEARLE:** No, Minister. Please do not fence. **The**

**Hon. PENNY SHARPE:** We will get to those later.

**Mr MATT KEAN:** I thought you would never ask, Ms Sharpe.

**The Hon. ADAM SEARLE:** The question is; What discussions did you have with the Deputy Premier about the 182 job cuts and saving those jobs?

**Mr MATT KEAN:** Let me be very candid.

**The Hon. ADAM SEARLE:** If only you would.

**Mr MATT KEAN:** The Deputy Premier made it very clear that he wanted to protect rural and regional jobs. The Deputy Premier made it very clear that his priority was protecting jobs in the bush. The Deputy Premier asked me to work to find a way to halt these job losses. That is exactly what I undertook to do. We went through the normal processes of government and we have delivered a great outcome for rural and regional workers, and I am very proud to have done that. This is a good-news story. The only one unhappy about it is the Labor Party. You say you are the party of the worker, yet here we are protecting workers' jobs and you are kicking up a stink about it. I do not get you guys.

**The Hon. ADAM SEARLE:** Minister, can you give us a categorical assurance that these 182 job cuts will not be put back on the table for the rest of the term of this Parliament? Can you give that assurance? A simple answer to a very clear question.

**Mr MATT KEAN:** Mr Searle, we have halted the job cuts.

**The Hon. MARK BUTTIGIEG:** It is a straight question.

**The Hon. ADAM SEARLE:** You have not.

**Mr MATT KEAN:** That is what we have done. We have halted the job cuts.

**The Hon. ADAM SEARLE:** We do not know that; you have not issued a direction. There is nothing to stop Essential Energy cutting those jobs.

**Mr MATT KEAN:** I have written to the CEO of Essential Energy and I have asked him to put the process on hold until the direction can be issued.

**The Hon. ADAM SEARLE:** What has he said?

**Mr MATT KEAN:** The CEO of Essential Energy, whom you will have the chance to speak to this afternoon, has said that he will do that and wait for the direction. Right now these job cuts are halted. It is a great outcome. Everyone is happy about it apart from you, Mr Searle. I do not understand why you are not happy about us stopping job cuts to rural and regional workers.

**The Hon. ADAM SEARLE:** No, Minister, that is not the issue. The issue I am trying to ascertain is whether this is a permanent stay of the job cuts, that they have been taken off the table indefinitely or whether it is just until no-one is watching and you are hoping to sneak it through.

**Mr MATT KEAN:** No. I know what you are trying to do here and I am not going to fall into that trap. The reality is that we have said to Essential Energy that we want to halt the job cuts. We have asked Essential—

**The Hon. ADAM SEARLE:** What about the other 500 job cuts flagged in this document?

**Mr MATT KEAN:** I am trying to answer the question, Madam Chair.

**The CHAIR:** Order! Allow the Minister to answer the question.

**Mr MATT KEAN:** The reality is that we are going through the worst drought in living memory. We have halted the job cuts because of these unique circumstances. We have asked Essential Energy to look at other ways to find the savings that it is looking for. It has undertaken to do that body of work. I am not going to prejudge where that body of work may land. We will wait and see what the outcome of that work is to find alternative means to save money for that organisation.

**The Hon. MARK BUTTIGIEG:** So you cannot guarantee those jobs for the rest of the term of the Government?

**Mr MATT KEAN:** I am not going to engage in your hypothetical games, Mr Buttigieg. If anyone should be supportive of what the Government has done— **The Hon. MARK BUTTIGIEG:** It is not hypothetical.

**The CHAIR:** Order!

**Mr MATT KEAN:** —it should be you as a former member of the Electrical Trade Union [ETU], Mr Buttigieg.

**The Hon. NIALL BLAIR:** It is hypothetical.

**Mr MATT KEAN:** The members of the ETU could not be happier with the work that we have done, how we have stepped in to protect rural and regional jobs and how we have stepped in to help Essential Energy workers. The only ones unhappy about it are you here today because you are trying to score a cheap political hit. Let's focus on the outcome. We have halted the job cuts and we are working through a process to identify other ways to save money to protect jobs. I am not going to prejudge where that work may land.

**The Hon. ADAM SEARLE:** Will this draft direction be limited to stopping the 182 job cuts that were proposed to be implemented by September or will it include the other 500 job cuts that are proposed in this document to take place between now and 2024?

**Mr MATT KEAN:** I apologise again, I was just distracted. Could you repeat the start of the question?

**The Hon. ADAM SEARLE:** Will your draft direction deal with only the 182 job cuts that were proposed to be implemented by September or will it also cover stopping the other 500 job cuts proposed by Essential Energy?

**Mr MATT KEAN:** Mr Searle, our direction will halt the immediate job cuts that have been proposed because we are in the midst of the worst drought in living memory. We have asked Essential Energy to go away and find other ways to identify the savings that it is after rather than reducing headcount. It has undertaken to do that work. I am not going to prejudge the outcome of that body of work.

**The Hon. MARK BUTTIGIEG:** Chair, the question was quite specific. It was about the 500 proposed job cuts, which are in that document. The question was: Is the draft direction going to include the halting of those 500, yes or no? It is a simple question: Yes or no?

**Mr MATT KEAN:** Mr Buttigieg, you are playing hypotheticals again.

**The Hon. MARK BUTTIGIEG:** It is not. It is written there.

**The Hon. NIALL BLAIR:** Point of order: I will go back to the start about interrupting the Minister. My second point is that hypothetical questions are out of order.

**The Hon. ADAM SEARLE:** To the point of order: It is not a hypothetical question because there is a document that actually proposes the extra 500 job cuts. As to the first matter, the Minister is being repetitive, he has said the same thing over and over again.

**The Hon. NIALL BLAIR:** It does not excuse you to interrupt him.

**The Hon. ADAM SEARLE:** He is not answering the question. He is not being responsive to the question.

**The Hon. NIALL BLAIR:** It does not matter. He is allowed to repeat his answer.

**The CHAIR:** Order! Members are able to ask very broad questions in relation to the portfolio before us. In fact, the Minister is also able to answer questions as he sees fit. I would ask the Opposition members to continue their questioning but it is up to the Minister how he answers them in a budget estimates hearing.

**The Hon. ADAM SEARLE:** Just to be very clear, as I understand your answer, Minister—and feel free to disagree with me—your draft direction will be limited to the 182 job cuts but it will not deal with stopping the other 500 job cuts proposed by Essential Energy.

**Mr MATT KEAN:** No, I am not going to have you putting words in my mouth here today, Mr Searle.

**The Hon. ADAM SEARLE:** That is why I am giving you the opportunity to give us a clear answer.

**Mr MATT KEAN:** Mr Searle, you know better than that.

**The Hon. ADAM SEARLE:** With respect, Minister, given your answers this morning, I am not so sure about that.

**The CHAIR:** Order!

**Mr MATT KEAN:** We have halted the job cuts because we want to ensure that we see no job losses. We want to enforce the Government's policy to see no net job losses in rural and regional towns at this time of drought. That is what the Government's position is. That is the direction that we intend to order. As I said, Mr Searle, that direction will apply for a period of time where a body of work will be undertaken to see if additional savings can be identified and to see whether or not the conditions in the bush change. Could that change in the future? Could it rain? Potentially; hopefully it will. That is not because we want to see job losses. We do not. We want to see our rural and regional communities thriving. We want to see a strong industry in the bush. We want to see Essential Energy workers looked after. That is exactly what this Government has done. I have given effect to that policy position. We are very happy with it, the workers are very happy with it. The only ones not happy with it are the Labor Party because good news is bad news for Labor.

**The Hon. MARK PEARSON:** A new horizon, Minister, the mystery of dingoes. Over many years dingoes have been defined or called by many scientific names: *canis lupus dingo*, a subspecies of the wolf; *canis familiaris*, a domestic dog; and recently, as of the year before last, *canis dingo*, which is now declared its own species though it is from the genus of the *canis*. Minister, when was the last time the department reviewed the status of the dingo in the light of this new knowledge?

**Mr MATT KEAN:** Mr Pearson, I start by saying that the National Parks and Wildlife Service wild dog management follows the requirements of the NSW Wild Dog Management Strategy.

**The Hon. PENNY SHARPE:** He is not asking about that, Minister.

**Mr MATT KEAN:** I understand. I am getting there, I am providing some background detail, Ms Sharpe. I am very happy to answer your questions in a moment but I am focusing on Mr Pearson at the moment.

**The Hon. PENNY SHARPE:** You are not answering his either.

**Mr MATT KEAN:** I am trying to. Madam Chair, if I could have a chance—

**The Hon. MARK PEARSON:** Let us keep going.

**The CHAIR:** Order! Keep going, hurry up.

**Mr MATT KEAN:** The wild dog strategy, Mr Pearson, promotes a balance between managing wild dogs in areas where they have negative impacts and preserving the ecological role of dingoes. The reason I say that is that the wild dog strategy is the plan to manage dingoes in New South Wales. I do not have the exact time

when that was last reviewed. If it is okay with you, I will take that on notice and I will come back to you with further detail.

**The Hon. MARK PEARSON:** That strikes at the very question. Is the Minister aware of the studies that show the importance of dingoes in maintaining the health of ecosystems, in particular, that dingoes as apex predators assist in the control of wild goats, cats, foxes and pigs as well as altering their foraging behaviour with net positive benefits for populations of threatened species?

**Mr MATT KEAN:** Mr Pearson, unfortunately we do not have a shortage of apex feral predators in our national parks and in our bush at the moment. There are too many apex predators, which are having a devastating and detrimental impact on our native animals. That is the reality of the situation.

**The Hon. MARK PEARSON:** But this is what the question is about. The studies show that when the dingo is treated as an apex native predator—really, after the thylacine, it is the probably the largest one remaining in Australia and with the concerns that you have about other predators, such as probably cats, foxes and pigs in particular because they are omnivores or carnivores—it works towards and is part of the answer to keeping the numbers of those animals down.

**Mr MATT KEAN:** We obviously want to make sure that we manage the number of feral pests in our national parks. If that is a suggestion as to how we can do that, we are happy to consider that. We use a number of tools to manage feral pests in our national parks more broadly at the moment but we are happy to take that on board, Mr Pearson. It is fair to say that it is not an area that I am too familiar with but one that I am very keen to get across.

**The Hon. MARK PEARSON:** Basically that is the question that in a review—I go back to the original question. Would the department review the status of the dingo considering this new information. My understanding is that landholders are willing to work with wildlife protection groups to do trials as to see what is the actual impact of dingoes on livestock.

**Mr MATT KEAN:** Just so I do not make policy on the run with regard to dingoes today—

**The Hon. MARK PEARSON:** It sounds great to me.

**Mr MATT KEAN:** —it is always dangerous when we do this—what I would suggest is that if I would take that on board I can go and get some advice and perhaps I could get my department and myself to give you a full briefing on the issue.

**ANSWER:**

I am advised:

The NSW Wild Dog Management Strategy was last formally reviewed in 2017.

While dingoes play an important ecological role in our ecosystems, I am advised that the exact role they play remains unclear. The studies referred to are location specific and the results are not conclusive or necessarily of general application. There is ongoing debate within scientific literature regarding impacts on both native and introduced species.

The Department of Planning, Industry and Environment will remain engaged in ongoing research regarding the role and status of the dingo. This will include research and working with landholders to quantify the impacts of dingoes.

**The Hon. MARK PEARSON:** It is a new issue on your horizon and I can understand that. Let's move to kangaroos. Are you aware of the significant and increasing usage of exclusion fencing on large agricultural properties along the northern New South Wales and Queensland border in an attempt to control the supposed impact of kangaroos?

**Mr MATT KEAN:** I must say I am not aware of the specific issue around fencing to control kangaroos but I am aware that kangaroos have a huge impact on our agricultural and farming lands. That is something that obviously our farming community seeks to manage. There are a number of tools available for them to manage kangaroos. Fencing is one. But with regard to the issue of that specific fence, I must admit I am not too familiar with it.

**The Hon. MARK PEARSON:** Would you be willing to take on notice that your department will investigate the numerous claims that exclusion fencing is causing a great deal of harm not only to kangaroos but also to other wildlife because they become virtual traps where the animals, if not shot or killed by us, die a long lingering death from starvation and thirst?

**The Hon. NIALL BLAIR:** Not by you. I don't think you are shooting them.

**Mr MATT KEAN:** No-one wants to see our native animals suffering or dying in those horrendous ways, least of all me. We need to manage the reduction in animals that do have an impact on our farming communities in a responsible and humane way. That is certainly one of my objectives. Mr Pearson, I know your passion and commitment to these very important issues and I am really excited about the opportunity to work with you to find ways that we can achieve your objectives while at the same time protecting the interests of our farmers, who are doing it really tough at the moment. Feral animals and indeed native animals do have an impact on their farms and we need to recognise that.

**The Hon. MARK PEARSON:** It is quite an interesting notion, isn't it, Minister, that on one side of a fence a kangaroo is a protected wild animal under a tier of four legislations and on the other side it is a noxious pest, hated, unwanted, unacceptable and considered not to be part of our environment almost. Yet it was here long before you and even First Peoples. It is an intriguing and disturbing relationship we have with this animal and a lack of responsibility in many cases.

**Mr MATT KEAN:** Absolutely. This is one of our most loved and iconic animals. This is a constant battle that I deal with as the Minister for the Environment, balancing the needs of the environment with the interests in agriculture and farming and whatnot. It is a big challenge and it is one that I am determined to take on. Let me assure you, Mr Pearson, I am absolutely committed to protecting our environment, I am absolutely committed to protecting our native animals and I—

**The Hon. MARK PEARSON:** On that note, Minister, would you consider your department monitoring the impact of the decision my friend along the other end of this table made that since the relaxing of the licensing rules for non-commercial slaughter that were introduced in September 2018—if a landholder is of the view that they need to kill 300 kangaroos and not for commercial purposes in any way it was once necessary if you shot those animals that you had to leave a drop tag and therefore the National Parks and Wildlife Service could monitor the numbers. That requirement was removed in September 2018. Is your department confident that the removal of the drop tag requirement and the ability to merely phone in "numbers slaughtered" is presenting a true picture of the actual numbers killed?

**ANSWER:**

I believe I adequately answered this question during the hearing.

**The Hon. NIALL BLAIR:** I was not the environment Minister.

**The CHAIR:** Order!

**The Hon. NIALL BLAIR:** No, he said that was me who did that. I was not the environment Minister.

**The CHAIR:** Order!

**The Hon. MARK PEARSON:** You announced it. That is all right. We will get over it.

**The Hon. NIALL BLAIR:** Well, you have not. You are still raising it now. You have not gotten over it.

**The CHAIR:** Order!

**Mr MATT KEAN:** I am sure the Hon. Niall Blair would have loved to have been the environment Minister but—

**The Hon. NIALL BLAIR:** If he wants to introduce me into the question I get a chance to make— **The**

**Hon. MARK PEARSON:** No, no, no.

**The Hon. PENNY SHARPE:** No, you do not.

**The CHAIR:** Order! That is not in the standing orders. Mr Pearson is asking questions of the Minister. You do not have the right to question the questions that he is asking in that way.

**The Hon. NIALL BLAIR:** Correct the record.

**The CHAIR:** Go and chat to him afterwards.

**The Hon. PENNY SHARPE:** Do it at the end.

**The CHAIR:** Keep going. Order!

**The Hon. MARK BUTTIGIEG:** You can make a personal statement.

**The Hon. PENNY SHARPE:** Only if we give you leave to.

**The CHAIR:** It is early.

**The Hon. MARK PEARSON:** Ms Anissa Levy, have you got an answer to that?

**Ms LEVY:** I was going to say there is certainly monitoring available. We record the numbers of kangaroos both culled for non-commercial uses and for harvesting. But we do have a maximum number set across that, which is no more than 15 per cent. Our records show that for last year we were just over 10 per cent, so we were well within—

**The Hon. MARK PEARSON:** Ms Levy, how would you know if the numbers of the kangaroos are just a phone-in rather than a tag? How do we really know that we are getting the correct statistics on this if all it is an email or a phone-in? There is a reason why these animals are protected under both Australian and State legislation—because they are an international icon and they are a protected wild animal. How are we going to know really the numbers if it is just a phone call?

**Ms LEVY:** There is certainly an assumption that people behave responsibly when they are licensed to do this. So they have to have a licence to be able to harvest or cull. And so there is an expectation that the citizens of New South Wales generally respond appropriately and there are opportunities for periodic checks across these things. We do have compliance and enforcement people who are focused on undertaking checks at various points.

**The Hon. MARK PEARSON:** Minister, are you aware that under the current code of practice when shooters shoot a kangaroo they are required to kill the kangaroo by destroying the brain by a single shot, if not a coup de grace? Would you accept that?

**Mr MATT KEAN:** I am advised that that is correct.

**The Hon. MARK PEARSON:** How do you think we can properly monitor that when they are required to cut the head off and remove it?

**Mr MATT KEAN:** That is a very interesting question, Mr Pearson. I am happy to get further information to give you some comfort that the controls in place around the management of kangaroos are being enforced in an appropriate way. I will come back to you on that.

**ANSWER:**

I am advised:

Impact of exclusion fencing on kangaroos and other native animals

The National Parks and Wildlife Service (NPWS) does not have an approval or consent role for erecting exclusion (cluster) fencing on private property. Local Land Services, in conjunction with the Inter-agency Kangaroo Management working group, is currently considering monitoring to better understand the potential impacts.

Non-commercial kangaroos - drop tags

The previous requirement for tags to be placed on carcasses was not considered an effective method for monitoring the actual number of kangaroos killed under non-commercial licences. Under the tagging arrangement, NPWS did not routinely inspect every property that was issued a licence and relied on returns from licensees.

It is also noted that carcasses are often disturbed by feral animals and the paper tags degraded over time.

Commercial kangaroo licences – removal of head from carcass

While heads are removed from kangaroo carcasses shot under the commercial harvest program, all carcasses are inspected for bullet wounds to the body when delivered to registered chillers of licensed dealers.

**The Hon. MARK PEARSON:** Thank you.

**The CHAIR:** Good morning, Minister.

**Mr MATT KEAN:** Good morning, Chair.

**The CHAIR:** Minister, over the past week thousands of hectares of rainforest have been burnt in New South Wales. We know that climate change is leading to drier and hotter conditions. We have seen the bushfire season start earlier than ever before and fires are burning in areas that have never been burnt before and are not adapted to fire. I am specifically referring to areas like the World Heritage-listed Mt Hyland Nature Reserve on the Dorrigo Plateau, which I have visited personally. It is one of the last ancient remnants of Gondwana rainforest. I have caught up this morning that that fire is burning around 80,000 hectares in that area. Minister, we know that scores of towns are running out of water and we have just had the hottest six months on record. The fisheries Minister has suggested we will see fish kills this summer akin to a fish Armageddon. Minister, are we in a climate emergency?

**Mr MATT KEAN:** I am not going to use your emotive language here today. Climate change is real and we need to take decisive and responsible action to tackle this very serious threat to our way of life and our environment. But the emotive language of a climate emergency is not going to make it rain. It is not going to reduce a single carbon emission, which is having an impact on our environment. What we need to do, instead of virtue signalling and posturing, is take decisive and direct action to deal with the threat of climate change. And let me tell you this: This Government is absolutely committed to protecting our environment, which means dealing with climate change. The things that will underpin our climate change policies will be to reduce emissions but we will do that whilst at the same time growing our economy, creating jobs and ensuring that we put downward pressure on cost of living for people.

**The CHAIR:** Minister, fires through 80,000 hectares of what once was Gondwana rainforest—which as far as we know has not really seen fire for many thousands of years—that is a type of emergency, is it not?



**Mr MATT KEAN:** These are serious issues, we need to deal with them. The best way that we can deal with them is by setting emissions targets and having a plan to meet those emissions targets.

**The CHAIR:** As environment Minister, what are you doing to ensure that those areas of rainforest are protected and are not burnt again?

**Mr MATT KEAN:** Specifically with regard to rainforests, the National Parks and Wildlife Service has a range of strategies to deal with bushfire. We have resources that are on the front line, that are doing hazard reduction burns and undertaking a range of management activities to protect our national parks, indeed property and people, from the threat of bushfire. We take that role very responsibly, we take that role very seriously, and we will continue to do so.

**The CHAIR:** I have heard from some ecologists that for example around the Gondwana rainforest area there are some patches of rainforest—some of the deeper, wetter, older, moister areas of rainforest—that may have survived the fires that have gone through but they are very worried about this area now being opened up in terms of danger, the spread of weeds and feral animals.

**Mr MATT KEAN:** Yes.

**The CHAIR:** What is the department's post-recovery plan to ensure that the areas of rainforest that have escaped the fire—and they are pretty precious, you would agree, because we have lost a lot—what is the department's plan to ensure that those areas are protected in terms of their integrity into the future and so that feral animals and weeds do not get in there?

**Mr MATT KEAN:** This is a unique situation in terms of that rainforest. It obviously has unique and profound ecological values. The fire has obviously just happened and is still ongoing in some parts. We will respond to that fire based on the scientific evidence and the best advice we have from our officials. We will work through the process, but let me assure you that we want to protect our environment. We want to protect our rainforest and we want to protect the biodiversity that is contained in them. Yes, we will work through a process. I am happy to come back to you and the Committee with a plan that will give you the assurances that you need that we are taking this issue very seriously.

**The CHAIR:** Do you want to develop a plan that will protect threatened species and rainforest habitat against increasingly intense bushfires? It is on your radar?

**Mr MATT KEAN:** Absolutely. The threat of climate change—there are so many issues with regard to climate change that fall under that umbrella. Extreme weather events are one of a number of them. We obviously need to develop a comprehensive response to deal with these to protect our natural environment. But we can do that whilst not blowing up our economy and at the same time creating jobs and putting downward pressure on prices. That is my brief. That is what I will be focused on doing.

**The CHAIR:** What about the loss of threatened species habitat and also carbon sequestration, to be honest, caused by these latest bushfires? Is your department looking at that?

**Mr MATT KEAN:** We will look at that. As I said, these bushfires are very recent. We need to respond to the huge impact that they have had on our natural environment. We will do so in a coordinated and strategic way. I am very happy to come back to you and the Committee with our response.

**ANSWER:**

I am advised:

National Parks and Wildlife Service (NPWS) staff, in collaboration with several other agencies including the Rural Fire Service, are still actively engaged in managing the fire situation in the Northern Tablelands. The work is being carried out with the objective of minimising the spread and impact of the fire itself, but also the potential impact of fire suppression operations.

Once the fire is out, NPWS staff will conduct a post-fire assessment. This activity will include fire intensity mapping, targeted surveys to determine impacts on flora and fauna, and a review of infrastructure damage. This assessment will inform future management of the issues raised by the committee.

NPWS has Regional Pest Management Strategies in place and is a major contributor to cross-tenure pest and weed plans. This planning, augmented with post-fire survey data, will identify any areas at risk of pest or weed infestation or spread, and provide a foundation to develop necessary response and mitigation strategies.

Under the Saving our Species Program, NPWS has a suite of actions benefitting a range of threatened species in this area. Post fire assessment will determine what actions require amendment, or additional action requirements to manage any increased threat associated with this fire.

In relation to ecologically sensitive assets, such as rainforest, NPWS has fire management strategies in place for each of the affected reserves and contributes to the cross-tenure risk management planning aimed at reducing the negative impact of unplanned fire. NPWS will review these strategies and any planned hazard reduction activity to determine if any additional protection may be afforded to remaining ecological assets in the post fire recovery phase.

**The CHAIR:** For example, if we have lost a lot of, say, koala and threatened species habitat in some nature reserves, will the Government look at some existing State forests to potentially replace some of the areas that have been lost in nature reserves?

**Mr MATT KEAN:** It is very early days. These bushfires are still ongoing. I place on the record my support and admiration for the amazing work done by our firefighting teams. We will look at the impact that these bushfires have had on the rainforests, on our national parks, on our natural environment and we will respond by ensuring that we put the protections in place. I have already put on the public record a very ambitious plan to expand the footprint of our national park network. I plan to deliver an additional 200,000 hectares of new national park estate in the next two years. Not only do I plan on delivering that but also I hope that I smash that plan. We have already gone a long way to doing that. Last week I reserved 57,000 hectares in the Mutawintji National Park and added that to our national park estate. But there is more to do.

**The CHAIR:** I have limited time. It is great and heartening to hear that announcement last week, finally, from a Coalition government that you do have that commitment.

**Mr MATT KEAN:** It is just the beginning.

**The CHAIR:** However, we also see unprecedented losses. It is good to hear that you have a plan and I want to ask about its timing because we are about to enter what is, I think, the summer of hell for our natural environment and forests in New South Wales. Will you look at bringing this plan forward so it is in place before the really awful summer months?

**Mr MATT KEAN:** It is an emerging issue. It has just come on my radar. We need to actually respond in a way that will deliver the outcome that you are after. I do not know what the solution is, but we will work

through it and we will take advice from the scientists and the department to come up with the best plan to protect our natural environment, to protect our threatened species and ensure that they can thrive into the future.

**The CHAIR:** Today's *Sydney Morning Herald* reports that you have finally released information about koala habitat. You are calling it "koala habitat information base". Even though that announcement has been released, why does it still take ecologists and local forest activists on the ground to find koalas in areas of State forests after Forestry Corporation has apparently been through there and said that no koalas are in those forests?

**Mr MATT KEAN:** The information that we released today is a comprehensive analysis of koala habitats and koala populations right across New South Wales. This is the first time this body of work has been done and these results have been released publicly. The reasons we have done that are very good: It is to inform future development decisions; it is to inform future land use decisions; and it is to inform the strategic acquisitions that I wish to add to our national park estate. I hope that we give legislative effect to these maps. That is the objective here. I have written to the planning Minister and asked him to consider including that in his State environmental planning policy 44 review.

**The CHAIR:** I know you are aware of the issue in Braemar State Forest up north where we have ecologists walking through that forest finding what they say is an extensive area of koala habitat. That area was due to be logged from today and likely supports 60 to 90 koalas. Will those koalas appear in the koala habitat information base? Once they are in that information base what will you do about the fact that there are so many koalas in a forest that Forestry is going to log?

**Mr MATT KEAN:** I had the opportunity to visit Braemar State Forest to which you refer and worked with local activists and ecologists to look at the koala population there. In fact, one of the best experiences I have had since being the Minister for Energy and Environment was to support a koala in the wild in that State forest, so it was exciting. I recognise that we need to do more to protect our koala populations, whether they be in State forests or indeed on private land. I intend to do that and I am happy to take any further questions on that a bit later on.

**The CHAIR:** We will get back to that.

I refer to your Parliamentary Secretary, James Griffin. Mr Griffin, have you made all of your disclosures as required under the Ministerial Code of Conduct?

**Mr JAMES GRIFFIN:** Yes, I have.

**The Hon. PENNY SHARPE:** What did you do to make those disclosures?

**Mr JAMES GRIFFIN:** I filled out the appropriate paperwork and forms.

**The Hon. PENNY SHARPE:** Were you required to give any specific disclosures that would require a ruling from the Premier?

**Mr JAMES GRIFFIN:** I have fulfilled all my obligations.

**The Hon. PENNY SHARPE:** I have heard that before. Mr Franklin, have you completed all your declarations according to the Ministerial Code of Conduct?

**The Hon. BEN FRANKLIN:** I have, Ms Sharpe.

**The Hon. PENNY SHARPE:** Were you required to get a ruling from the Premier in relation to any of those declarations?

**The Hon. BEN FRANKLIN:** No, I was not.

**The Hon. PENNY SHARPE:** Minister Kean, have you made all of your declarations in relation to the Ministerial Code of Conduct?

**Mr MATT KEAN:** Yes, I believe I have, to the best of my knowledge.

**The Hon. PENNY SHARPE:** Do you have any specific rulings from the Premier in relation to any of those declarations?

**Mr MATT KEAN:** No, I do not.

**The Hon. PENNY SHARPE:** You would be aware if you do or do not? You should be aware whether you are?

**Mr MATT KEAN:** I am pretty sure that I do not.

**The Hon. PENNY SHARPE:** If you had a ruling you would know.

**Mr MATT KEAN:** To the best of my knowledge, I have no ruling.

**The Hon. PENNY SHARPE:** Minister, how do you manage conflicts of interest, if there are any—I am not suggesting that there are; I am just asking if there are any—in relation to the decisions that you are making in your portfolio in relation to either your Parliamentary Secretaries or your colleagues?

**Mr MATT KEAN:** More broadly with regard to conflicts of interests, obviously we followed the ministerial guidelines, the Ministerial Code of Conduct—**The Hon. PENNY SHARPE:** Some people do.

**Mr MATT KEAN:** And the code of conduct in place for members of Parliament. Ms Sharpe, you may not be aware but in my prior life I worked as an auditor at PricewaterhouseCoopers—that is probably where I get all my personality from—and governance, disclosures and managing conflicts is something that I am very well versed in. I take a lot of measures to ensure that we take the steps necessary to manage not only real conflicts but also perceived conflicts.

**The Hon. PENNY SHARPE:** Were you aware prior to him becoming a Minister of the landownings that John Sidoti and his family had?

**The Hon. NIALL BLAIR:** Point of order: Seriously, this area has nothing to do with the Minister's portfolio area. This is asking about another Minister, and you had plenty of opportunity to ask yesterday.

**Mr DAVID SHOEBRIDGE:** And she took it.

**The Hon. NIALL BLAIR:** Surely you have got Environment or Energy questions you can ask the Minister while he is here? It is certainly not in the remit of this Committee to be asking about a Minister's private dealings.

To the point of order: It is absolutely in the remit of this Committee to

be looking at the way in which the Ministerial Code of Conduct operates, for which this Minister is beholden to, as are the Parliamentary Secretaries.

**The Hon. NIALL BLAIR:** For this Minister.

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

**The Hon. NIALL BLAIR:** For this Minister, not others.

**The Hon. PENNY SHARPE:** Yes. I hear you; I have not finished. The question I am asking is how the Minister manages the conflicts that he may or may not be aware of in relation to other Ministers that he sits around the Cabinet table with. That is completely in order because it goes directly to the actions taken by this Minister.

**The Hon. CATHERINE CUSACK:** Madam Chair, can I make a contribution?

**The Hon. ADAM SEARLE:** Under the constitution Act, Cabinet is indivisible. So that just makes the collective responsibility much greater.

**The CHAIR:** Are you speaking to the point of order, Ms Cusack?

**The Hon. CATHERINE CUSACK:** I am speaking to the point of order.

**The CHAIR:** Go ahead.

**The Hon. CATHERINE CUSACK:** The Hon. Penny Sharpe has not indicated any aspect of the Minister's portfolio of responsibilities.

**The Hon. PENNY SHARPE:** It will be the ministerial code of conduct.

**The Hon. CATHERINE CUSACK:** Excuse me. I listened to you, Penny. Just listen to me.

**The CHAIR:** Order! Ms Cusack is speaking to the point of order. Continue.

**The Hon. CATHERINE CUSACK:** She has made no effort at all to identify what aspect of the Minister's portfolio responsibilities—

**The CHAIR:** Yes, I think that has been said. I would suggest that the questions need to be generally relevant to the portfolio. If Ms Sharpe could continue her question with that in mind, that would be good.

**The Hon. PENNY SHARPE:** Sure. I am happy to reframe it.

**The CHAIR:** Thank you.

**The Hon. PENNY SHARPE:** Are you aware of any landholdings or otherwise that would impact on decision-making that you are making in your portfolio in relation to land owned by Mr Sidoti or his family?

**Mr MATT KEAN:** No, I am not, Ms Sharpe.

**The Hon. PENNY SHARPE:** Minister, your colleague the Deputy Premier John Barilaro delivered a speech to his party conference recently where he said that the National Party must be respected by the Liberal Party and that the Liberal Party needs to work harder for the support of The Nationals. Would you say you have a respectful relationship with the Deputy Premier?

**Mr MATT KEAN:** I have a respectful relationship with all of my Coalition colleagues. The Coalition is a great thing that has provided stable government in New South Wales for the last eight years. That has delivered record prosperity, record investment in transport and infrastructure and we have saved jobs in the regions.

**The Hon. PENNY SHARPE:** So you get along okay?

**Mr MATT KEAN:** We get on great.

**The Hon. PENNY SHARPE:** How are you managing conflict in the portfolio under the new cost arrangements?

**Mr MATT KEAN:** Ms Sharpe, we take the appropriate steps necessary to manage conflicts.

**The Hon. PENNY SHARPE:** Tell me about your appropriate steps?

**Mr MATT KEAN:** If there are issues which could give rise to a conflict of interest, then I will seek advice from DPC.

No, this is not a conflict of interest question. This is about dealing with conflict in relation to policy, which is fairly clear.

**The Hon. CATHERINE CUSACK:** Point of order—

**Mr MATT KEAN:** We are talking about conflicts of interest.

**The Hon. PENNY SHARPE:** No, a conflict in policy.

**The CHAIR:** A point of order has been called. We will just pause for a minute. Ms Cusack?

**The Hon. CATHERINE CUSACK:** It is a very hypothetical question.

**The CHAIR:** That is not a point of order.

**The Hon. CATHERINE CUSACK:** I would ask the member to relate it to the Minister's portfolio interests. There are aspects and decisions that he makes in his portfolio and this is just general waffle.

**The Hon. PENNY SHARPE:** This is a question about the cluster arrangements which this Government has put in order.

**The CHAIR:** That is fine. There is no point of order. Continue.

**The Hon. PENNY SHARPE:** How are you managing to deal with conflicts—and I do not mean conflicts of interest, I mean conflicts in relation to policy within the cluster arrangements?

**Mr MATT KEAN:** We deal with conflicts in a very robust way through the Cabinet process. I have very robust arguments, as you would expect, with me standing up for the interests of the environment of New South Wales. You would be shocked to learn that there are other stakeholders around the Cabinet table that have a different view. But I argue my case passionately and aggressively and I will continue to do that to get great outcomes for the environment in New South Wales.

**The Hon. PENNY SHARPE:** In relation to the cluster arrangements, if there is conflict between yourself and the Deputy Premier, does Minister Stokes, as the lead cluster Minister, have to intervene and mediate the final outcome?

**Mr MATT KEAN:** Ms Sharpe, I am sure you are aware about how Government operates—that is, there is a Cabinet process. Matters of policy are taken to Cabinet by the relevant Ministers and they are discussed around the Cabinet table.

**The Hon. PENNY SHARPE:** So you are not dealing with it through the cluster, you are dealing with it through Cabinet.

**The Hon. SHAYNE MALLARD:** Better than the way Labor used to do it—

**The Hon. PENNY SHARPE:** Do you want to stop interrupting?

**The CHAIR:** Order! Yes, please, stop interrupting.

**Mr MATT KEAN:** There are different forums through which policy discussions are had, but the ultimate decision-making body of the Government is the Cabinet. I should not need to explain that to you, Ms Sharpe. Cabinet is made up of a diverse range of individuals from a diverse range of political parties—

**The Hon. PENNY SHARPE:** I understand how Cabinet works, Minister. That is fine we can move on. **The Hon. CATHERINE CUSACK:** It does not sound like you do.

**The Hon. PENNY SHARPE:** Minister, when the Deputy Premier announced that he was going to be seeking to revoke the reservation of the Murray Valley National Park, did he consult with you before making that announcement

**Mr MATT KEAN:** No, he did not. But the Deputy Premier is the leader of the National Party in New South Wales and he has a range of views on a range of topics which he does not need to run by me.

**The Hon. PENNY SHARPE:** Will you be supporting any moves to reintroduce the bill previously put forward by Austin Evans to revoke the Murray Valley National Park?

**Mr MATT KEAN:** Ms Sharpe, I know where you are going with this. Let me just be very clear for the record. There will never be the degazettal of the Murray Valley National Park or any national park so long as I am the Minister for the environment—period.

I am sure Mr Barilaro will be happy to hear that. Will you be supporting the Shooters bill—

**Mr MATT KEAN:** Well, not on my watch, Ms Sharpe. Not on my watch.

**The Hon. PENNY SHARPE:** Will you be supporting the Shooters bill in relation to the "thinning trials" in the Pilliga and the Murray Valley?

**Mr MATT KEAN:** Well, the question is: Will you be supporting the Shooters bill for ecological thinning trials in the Murray Valley because the party that gave us thinning trials in the Murray Valley was the Labor Party. Frank Sartor, as environment Minister in New South Wales gave us an ecological thinning trial—

**The Hon. PENNY SHARPE:** Minister, I am asking what you would do in relation to this. You have just done a lot of chest-beating around national parks, which I am very happy to hear by the way. But I am interested in hearing what you are going to be doing about the Shooters bill that suggests thinning not just in the Murray Valley but also in the Pilliga?

**Mr MATT KEAN:** What we will be doing is following the science. We will be taking decisions based on the best scientific advice. Right now there is a program of ecological thinning happening in the Murray Valley National Park. That was a program delivered to us by none other than the Labor Party.

**The Hon. PENNY SHARPE:** I am asking you a specific question.

**Mr MATT KEAN:** In fact, Frank Sartor committed— **The**

**CHAIR:** Order!

**The Hon. PENNY SHARPE:** I am asking you a specific question.

**Mr MATT KEAN:** I am trying to answer the question, Ms Sharpe.

**The Hon. PENNY SHARPE:** I am asking you a specific question. I do not have a lot of time. Your colleagues took up half of my time with ridiculous points of order.

**Mr MATT KEAN:** We are talking about ecological thinning. I am telling you about ecological thinning.

**The CHAIR:** Order!

**The Hon. PENNY SHARPE:** I am asking in relation to the proposed bill that the Shooters put forward.

**Mr MATT KEAN:** Well just because they are stopping you getting your TV grabs up tonight, I am trying to answer the question about ecological thinning. Frank Sartor gave us an ecological thinning program in the Murray Valley National Park. He committed \$3.532 million to that program.

**The Hon. PENNY SHARPE:** Minister, you have been in Government for eight years— **Mr**

**MATT KEAN:** It is a program that is ongoing.

**The Hon. PENNY SHARPE:** —for over eight years and you have had national parks under pressure. I do not really want to argue with you about this. If you are not going to support the Shooters bill, that is fine. We can move on.

**Mr MATT KEAN:** I have answered the question— **The**

**Hon. PENNY SHARPE:** Good. We will move on then.

**Mr MATT KEAN:** —that we will be taking scientific advice when it comes to ecological thinning and whether or not that has a benefit. Let me just say, the reason there is an ecological thinning trial in the Murray Valley is based on the science and that is that previously—

**The Hon. PENNY SHARPE:** I am not asking about the trial. I am asking about the bill that is being put forward by the Shooters party.

**Mr MATT KEAN:** I would just like to put it on record, Ms Faehrmann, that the reason there is an ecological thinning program in the Murray Valley National Park is because the forest was not being managed because we have dammed the river. So previously the flooding of the forest would select the trees and keep the forest healthy. Now that we have dammed the river that flooding does not occur, so man is intervening in a trial to see whether or not that will improve the health of that forest. We will wait to the science provides advice before we make any decisions. I do not think that is an illogical conclusion.

That is good to hear, Minister, but that is not the question that I asked you. Minister, the Deputy Premier John Barilaro has been in the media taking credit for the Government's new plan to manage feral horses in Kosciuszko National Park. He has suggested the population will be reduced to 600 in 20 years time. That is good news if that is true. What is the difference between the Government's new plan and the draft Wild Horse Management Plan released by the department in 2016?

**Mr MATT KEAN:** Let me just say, the plan released in 2016 did not have a social licence in the community to go forward. This has been the problem with the management of horses in that national park, that we have not taken the community with us.

**The Hon. PENNY SHARPE:** Minister, do you think there is a social licence currently for the fact that the horse population has exploded and the damage is continuing?

**Mr MATT KEAN:** I think where we have lost the social licence is in our ability to manage these feral pests—

**The Hon. PENNY SHARPE:** You know there has been a 10,000-person petition?

**Mr MATT KEAN:** —in a responsible and humane way. I respect that.

**The CHAIR:** Order! Allow the Minister to answer the question to some extent.

**Mr MATT KEAN:** I respect the petition. What I am saying is that the social licence was lost when it came to using lethal means to control these animals, and who lost that social licence? A Labor Government.

**The Hon. PENNY SHARPE:** My god, you wish.

**Mr MATT KEAN:** A Labor Government when you pandered to shock jocks and vested interests—

**The Hon. PENNY SHARPE:** You wish. Minister, if you want to take questions from your people, you shouldn't have given up your time.

**Mr MATT KEAN:** —when you took lethal methods of culling horses off the table in the 2003 Guy Fawkes River National Park disaster. And what did you do?

**The Hon. PENNY SHARPE:** Minister, I am asking you a specific question—

**Mr MATT KEAN:** No, I am telling you who lost the social licence—

**The Hon. PENNY SHARPE:** —about the current horse plan, not history that occurred over 16 years ago.

**Mr MATT KEAN:** —for managing feral horses effectively.

**The CHAIR:** Order! Can I just please request that the Minister does try and answer the question.

**The Hon. PENNY SHARPE:** Be at least vaguely relevant.

**Mr MATT KEAN:** I am answering the question.

**The Hon. PENNY SHARPE:** You are not answering the question.

**Mr MATT KEAN:** I am answering the question.

**The Hon. PENNY SHARPE:** You could have taken Dixers to do this if you wanted to.



**The CHAIR:** Order! It is frustrating for members if they are asking questions and it is clear that they are not getting the answer they need in limited time. I would request that the Minister— **Mr MATT KEAN:** I need to provide context to my answers, Madam Chair.

**The Hon. PENNY SHARPE:** I know you have spent a lot of time trying to find things in the past but we are actually asking about what you are doing now. What is the difference between the current draft Wild Horse Management Plan and this very vague plan the Deputy Premier keeps talking about that actually seems to change every time he speaks on radio?

**Mr MATT KEAN:** Let me tell you what the plan is.

**The Hon. PENNY SHARPE:** What is the plan, Minister?

**The CHAIR:** Order!

**Mr MATT KEAN:** The plan is to identify the number of horses currently in the national park.

**The Hon. PENNY SHARPE:** Has that been completed?

**Mr MATT KEAN:** There is a body of work that is almost complete. I believe that that information will be provided to myself and the Government.

**The Hon. PENNY SHARPE:** So you have not got it yet?

**Mr MATT KEAN:** I have not got it yet. There is still work to be done. Once we identify the number of horses in the park, then we will work with the community advisory panel—

**The Hon. PENNY SHARPE:** Do you accept that has been increasing?

**Mr MATT KEAN:** Yes, I will accept that has been increasing. I will wait to see the results of the survey that has been undertaken. The last time a survey was done was in 2014. It identified 6,000 horses in that national park. I believe that they are having a devastating and detrimental impact—

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

**Mr MATT KEAN:** —on a unique national park—

**The Hon. PENNY SHARPE:** You agree that they need to be removed from the park?

**Mr MATT KEAN:** —that is one of the most iconic in the country. I believe we need to have a plan of management to reduce the impact they are having.

**The Hon. PENNY SHARPE:** You are not sure how the new plan relates to the old plan because you have not got the numbers, is that what you are saying?

**Mr MATT KEAN:** I am trying to explain to you.

**The Hon. PENNY SHARPE:** I am not trying to be tricky, I am trying to work out what you are getting at.

**Mr MATT KEAN:** I am trying to put on the table my commitment to reduce the impact of horses on this beautiful and iconic national park.

**The Hon. PENNY SHARPE:** Reducing the impact requires removing them from the park.

**Mr MATT KEAN:** I accept that. That is why I have started the recapturing and rehoming program of those horses to start removing them out of the national park. That is the first time this program has happened in two years.

**The Hon. PENNY SHARPE:** What is your advice—

**Mr MATT KEAN:** Can I just finish my answer please? Can I say that is one tool we have available to us. We need to invoke other tools to manage these horses in the park but in order to do that we need to consult with the community. There are many members of the community who care about these horses and we need to respect that. Ms Sharpe, the way we will deliver the outcome that we both want—to protect the national park from the impact that horses are having—is to make sure we get the social licence to reduce the numbers in a humane and appropriate way.

**The Hon. PENNY SHARPE:** How many horses do you think will be removed from the park through trapping and rehoming?

**Mr MATT KEAN:** Not enough.

**The Hon. PENNY SHARPE:** You do realise the previous Draft Wild Horse Management Plan was a two-year process that involved extensive community consultation throughout the region in relation to the management of horses.

**Mr MATT KEAN:** I accept that, yes.

**The Hon. PENNY SHARPE:** Would you take on notice and provide to the Committee how much that cost and provide detail of the consultation strategy in relation to the previous Draft Wild Horse Management Plan?

**Mr MATT KEAN:** I am very happy to provide you with that information.

**ANSWER:**

Please refer to the answer given later in the hearing, recorded on page 40 of the original transcript.

Information on the public consultation strategy for this plan is available online at [www.environment.nsw.gov.au/research-and-publications/publications-search/2016-draft-wild-horse-management-plan-kosciuszko-national-park](http://www.environment.nsw.gov.au/research-and-publications/publications-search/2016-draft-wild-horse-management-plan-kosciuszko-national-park).

**The Hon. PENNY SHARPE:** The Government's position remains to rule out aerial culling in relation to the horses, am I correct?

**Mr MATT KEAN:** That was a policy position that was given to us by from former Minister Debus in 2003 as a result of the failure in the Guy Fawkes River National Park, when it came to horse management.

**The Hon. PENNY SHARPE:** Sure. What is your position on aerial culling?

**Mr MATT KEAN:** We have not changed the Government's position from the previous Government's position. At this stage our plan is to reduce the number of horses in the park and we will work with the community to come up with a suitable way to do that.

**The Hon. PENNY SHARPE:** Will that involve culling?

**Mr MATT KEAN:** We will look at all options available to us to reduce the impact of horses on this beautiful and iconic national park. We will work with the community to build the social licence to reduce the impact in a responsible way.

**The Hon. PENNY SHARPE:** But you accept that trapping and rehoming is not going to be enough to remove the numbers?

**Mr MATT KEAN:** I accept that.

**The Hon. PENNY SHARPE:** The Draft Wild Horse Management Plan actually says that within 20 years, probably 600 is about a sustainable amount allowed in the park. There seems to be an interim target that the Deputy Premier has talked about, which is to reduce the population to 3,000 in 10 years. Is that something that you support and where has that come from?

**Mr MATT KEAN:** I have not seen those comments before from the Deputy Premier but I welcome the Deputy Premier's commitment to the national park, to ensuring that we bring the community with us. That is exactly what we are doing by having a community advisory panel that will work with us to develop the plan of management to reduce the number of horses and to protect this—

**The Hon. PENNY SHARPE:** You do realise this work was done over two years carefully by the national—

**Mr MATT KEAN:** —iconic national park. I have enormous respect for the incredible work that Mick Pettitt and the team in National Parks and Wildlife do to protect this beautiful and iconic national park, but there has obviously been a huge issue and a diversity of opinion in the community about how best to do that. We need

to go back and consult with them and work with them. I think we all want the same thing, Ms Sharpe, that is to protect this unique iconic national park.

**The Hon. PENNY SHARPE:** Did the Deputy Premier consult with you before he made the claim that environmental impact statements should be ripped up in order to build dams?

**Mr MATT KEAN:** It is fair to say I read about it in *The Daily Telegraph*, as I read a lot of great material. I get a lot of facts from that fine robust paper.

**The Hon. PENNY SHARPE:** Isn't there a problem when you have the Deputy Premier, who has a clear interest, as leader of the National Party and Deputy Premier, in a range of interests in relation to your portfolio, making announcements in the paper before talking to you?

**Mr MATT KEAN:** Ms Sharpe, everyone has a range of interests in my portfolio. In fact, I am yet to meet a member of Parliament that is not interested in the energy and environment space. The Deputy Premier is no different. Let me tell you that I plan to be a strong champion for the environment. That is what I have set out. I have set some ambitious goals and I intend to deliver them.

**The Hon. PENNY SHARPE:** Is it the case that the way that you are dealing with the Deputy Premier is that the two of you yell at each other in the media and in Parliament, then you try to sort it out around the Cabinet table? Is that the way it is working?

**Mr MATT KEAN:** The Deputy Premier, as with all my colleagues and indeed members of the Opposition and the crossbench, have robust discussions about how to get the best outcomes for our environment and how to secure the best outcomes for the citizens of this State when it comes to reliable and affordable energy. That is the beauty of Parliament; that is the beauty of a democracy. I welcome it. I am happy to put forward plans based on science and evidence, stand up for those plans and sell them in the public domain. I am not going to walk away from that.

**The Hon. PENNY SHARPE:** My question is to Parliamentary Secretary Ben Franklin. The National Party conference sought to have the Climate Change Fund abolished. Is that your position?

**The Hon. SHAYNE MALLARD:** That is Mr Latham's question.

**The Hon. MARK LATHAM:** We had that in the Chamber.

**The Hon. BEN FRANKLIN:** We did have that in the Chamber. I am obviously here as Mr Kean's parliamentary secretary for energy but, no, that is not my personal position.

**The Hon. PENNY SHARPE:** What action are you taking in relation to the Climate Change Fund as part of your role?

**The Hon. BEN FRANKLIN:** As you would be aware, Ms Sharpe, under the Westminster system parliamentary secretaries do not make decisions.

**The Hon. PENNY SHARPE:** No, but you get briefings.

**Mr MATT KEAN:** Not that he would not be very capable.

**The Hon. BEN FRANKLIN:** Thank you, Minister. Obviously the Minister is well aware of my views about the Climate Change Fund. I think it is doing a very good job in a range of areas and obviously I support its retention.

**The Hon. PENNY SHARPE:** The issue in relation to building more dams and the killing of frogs, something again that the Deputy Premier has been very interested in. What is your view in relation to looking after frogs if we are to build any more dams?

**Mr MATT KEAN:** Let me just say I love frogs and I love looking after frogs. Only last week I was at Taronga Zoo looking at the program to breed the corroboree frog, which is under threat because of the impact of horses in the Kosciusko National Park.

**The Hon. PENNY SHARPE:** From feral horses.

**The CHAIR:** Feral horses.

**Mr MATT KEAN:** They have this great breeding program there. Can I finish my answer? The breeding program has brought back the corroboree frog from the brink of extinction. This is exciting.

**The Hon. PENNY SHARPE:** I was asking about dams. You can do Dixers if you want to, Minister.

**Mr MATT KEAN:** I am very happy to take Dixers from you as well.

**The CHAIR:** Order! If the Minister could finish his answer.

**Mr MATT KEAN:** I am defending the honour of the corroboree frog here and you are trivialising this issue.

**The Hon. PENNY SHARPE:** The Government has got time to do this. You try to turn every question into a Dixer. That is what these people over here are for, not what I am here for.

**The CHAIR:** Minister, could you finish the answer quickly.

**The Hon. NIALL BLAIR:** To be fair you asked about the threat of frogs.

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

**Mr MATT KEAN:** I want to restate my commitment to the corroboree frog and I want to congratulate—

**The Hon. MARK PEARSON:** Point of order: Can we actually hear the Minister answer the question and could the Minister be a bit more specific in answering the questions?

**The CHAIR:** Thank you, Deputy Chair. I have been trying to call everybody to order.

**Mr MATT KEAN:** Thank you, Mr Pearson. I know you are absolutely committed to the corroboree frog and every other animal. I want to put on the record my appreciation for your commitment to protecting our threatened native species. I am delighted that the New South Wales Government has the Saving Our Species program, which is a \$100 million program to not only protect existing populations of native threatened species—

**The Hon. PENNY SHARPE:** Now you are taking the crossbench's time, stop talking.

**Mr MATT KEAN:** —but to see them grow their populations into the future.

**The CHAIR:** Order! Minister, starting to do policy announcements that are not in line with the question being asked is taking the liberty of budget estimates a bit too far.

**The Hon. NIALL BLAIR:** It has already been announced.

**The Hon. MARK LATHAM:** Congratulations, Minister. I think you are greater than Bob Carr; not even he had a passionate interest in the protection of frogs. Turning to energy security—

**Mr MATT KEAN:** I think that is a compliment.

**The CHAIR:** Coming from Mr Latham, I am not sure.

**The Hon. MARK LATHAM:** Well, who hates frog? That is the question.

**Mr MATT KEAN:** I do not want to turn this into the mutual appreciation society but I think you are doing a great job too, Mr Latham.

**The Hon. MARK PEARSON:** Nearly 4½ minutes, Mr Latham.

**The Hon. MARK LATHAM:** Thank you, very much. Let's turn to this question about energy security. I acknowledge the efforts, including the excellent announcement earlier in the week about keeping the lights on in New South Wales for the next five or six years. If I can draw your attention—I am sure you have seen something similar—to this graph that is sourced from the Australian Energy Market Operator [AEMO] and TransGrid. It shows essentially that New South Wales in 2035 is only going to have half the dispatchable energy supply, electricity supply, we need to meet New South Wales' peak demand. What is the long-term planning to fill that gap, which is quite substantial at 50 per cent?

**Mr MATT KEAN:** The reality is that there is not going to be one solution to the problem that we face, there are going to be many solutions. We need a range of new technologies to meet the Government's objectives, which are to provide the citizens of this State with reliable and affordable power now and into the future. Can I start by saying that we have a short-term challenge, Mr Latham, which is the loss of 2,000 megawatts of capacity

because of the closure of Liddell. We are currently working on developing a plan to replace that capacity, which is well in train. We are also working on a longer term plan to ensure that there is enough reliability in the system to meet those shortfalls, identified by AEMO, in 2035. There will be a number of things that we will do.

Firstly, we are looking to build new transmission into the system to connect us to other sources of generation capacity—for example, in Queensland, which has a much younger fleet of coal-fired power stations than in New South Wales. We are also looking to bring new renewable energy zones into New South Wales. Part of that strategy is making sure they can sell those electrons or deliver those electrons into the grid. That is why we need to build the transmission and infrastructure to support that function. That is a big body of work and, Mr Latham, I am happy to go into that detail or to give you a private briefing. We have essentially identified three zones we think will be hot spots for renewable energy and it is about ensuring there is infrastructure to deliver them into the system.

Renewable energy is fantastic and the technology is evolving very quickly. However, it needs to be firmed up so other technologies are needed to support that. The best technology available to support and firm up renewable energy is, at this stage, gas—it can quickly come on and come off when the sun is not shining and the wind is not blowing. In order to achieve that objective, we need to open up new access to gas reserves in New South Wales. Currently a major project is in the pipeline in the planning system up in the Narrabri area and that is going through the normal planning assessment process. If that project comes online, it will provide the support necessary to ensure that renewables are viable in meeting the Government's objectives around reliability and affordability.

The other thing I would say, Mr Latham, is that part of the Government's plan is to invest in developing new technologies to help us solve this problem. Right now technology and innovation are evolving very quickly in the energy space. For a number of reasons—the most pressing one is that there are a number of commercial enterprises trying to find ways to deliver reliable, affordable energy that is also low emissions. I do not what the answer is going to be but the Government will back and invest in developing those new technologies in New South Wales. A short answer to my question is: We need a broad range of answers to this problem. We need to rely on a broad range of technologies to deliver the solution, which includes coal, includes renewables, includes gas and also includes technologies that are probably not quite as developed as we would like them to be at this stage.

**The Hon. MARK LATHAM:** Do you think we have a problem in the energy market, in that what you have outlined relies on private investment and supply? It is a bit like the prisoner's dilemma, that because you have policy distortions at various levels of government, every company and every sector sits there thinking, "Well, if someone else invests big, there is no point me doing it, it is not profitable." Is this not a major market failing that will inevitably lead to a need for public investment?

**Mr MATT KEAN:** I think you have absolutely nailed the issue that we face. Right now, the private sector is telling me that they want to invest in new generation capacity—and that is not one technology or another—they want to build the kit that will deliver the solution to the problem you have identified. The problem for them is that they do not have certainty over what is essentially long-term investment decisions. That is why the New South Wales Government's policy position is to support a national set of rules or a national framework, which will provide that certainty to industry to be able to invest in the generation of technology that will keep the lights on and the prices down. Can I just say, the other key bit that is missing, which I forgot to mention before, in solving our reliability issues is—

**The Hon. MARK LATHAM:** Nuclear?

**Mr MATT KEAN:** —Snowy 2.0, which is effectively a giant battery that we think will deliver an extra 2,000 megawatts of capacity into the system. The benefit of that project is that it is not only reliable, it is not only dispatchable, but it is also clean.

**The Hon. MARK PEARSON:** Minister, has the Government absolutely ruled out the aerial killing slaughter of brumbies in Kosciuszko National Park or any other area of New South Wales?

**Mr MATT KEAN:** Mr Pearson, we are not going to play rule in, rule out games here today. We are going to take a science-based approach, an evidence-based approach—

**The Hon. MARK PEARSON:** Minister, it is not a game. You referred to the disaster that happened at Guy Fawkes River National Park.

**Mr MATT KEAN:** Yes.

**The Hon. MARK PEARSON:** Robert Brown of the Shooter's Fishers and Farmers Party announced to the House last year that they will not support aerial killing because he has never seen it be humane, in the main.

**Mr MATT KEAN:** I was not trying to be tricky with my previous answer. I was trying to say that there are a range of tools that we need to evaluate to determine how best to reduce the horse population in the Kosciuszko National Park. I am not going to rule out one tool over another today, in this hearing. The social licence for aerial culling has been lost. If we are to go down that path, we need to take the community with us and I think we have a lot of work to do to get there. That said, I think we need to listen to the science and to the veterinary advice. Today I will rule in that whatever methods we use, it will be undertaken in a humane way to make sure that we achieve our objective of reducing horse numbers, without seeing them suffer.

**The Hon. MARK PEARSON:** Have you authorised the building of traps in the next couple of weeks to trap a large number of horses in the Kosciuszko National Park?

**Mr MATT KEAN:** Yes, I certainly have. One of the big challenges—the only tool we presently have available to us under the management plan to manage these feral horses, is capturing and rehoming. We need to build traps to catch the feral horses—

**The Hon. MARK PEARSON:** Can you guarantee that they will be rehomed, rather than sent to a knackery within the first two years of their lives?

**Mr MATT KEAN:** I can guarantee that our focus is on rehoming those horses. We have a plan to catch those horses and find appropriate homes for them. A number of people want to take those horses but there are other avenues where these horses will go, including the knackery, if they cannot be rehomed.

**The Hon. MARK PEARSON:** Are there any protocols in place in the trapping of those horses to detect as to whether any mares are pregnant, before trapping and slaughter?

**Mr MATT KEAN:** The mechanisms in place are: To work with veterinarians and experts to make sure that we are catching those animals and treating them humanely before we rehome them.

**The Hon. MARK PEARSON:** As the Minister responsible for those animals, is there a specific procedure you have put in place to ensure that no pregnant mare is going to be handled, managed, put onto a truck, transported et cetera, causing undue stress to her, which could result in her likely to abort?

**Mr MATT KEAN:** We have a range of systems and processes in place to ensure that those animals are treated in the most humane way possible. I do not know the exact systems and processes to deal with the issue that you are raising, but I am very happy to throw to Mr Pettitt now, or you can quiz him later in the day.

**The Hon. MARK PEARSON:** Maybe later in the day. How many horses are we looking at trapping in the next two to three weeks?

**Mr MATT KEAN:** As many as possible, Mr Pearson. As I said, the program has not been happening for the last two years. Our horse numbers, in my opinion, have exploded. They are having an increasingly detrimental impact on the park and we need to reduce those numbers as soon as possible. Right now my plan is to use the capturing and rehoming to do that but we need to look at other techniques if we are going to seriously make a dent.

**The Hon. MARK PEARSON:** Speaking of that, and as we discussed in a meeting with you, are you willing to appoint resources to go into some pilot interventions, where immuno-sterility programs are to be used and analysed as to their efficacy and success, in line with what has been happening in the United States, in particular?

**Mr MATT KEAN:** Yes, absolutely. I thank you for your advocacy on this issue. We think that is absolutely a tool to manage the numbers of horses in the national park but it is not the only tool. Evidence suggests that immuno-sterilisation alone will not have an impact for a very long time. That is one part—

**The Hon. MARK PEARSON:** I think that is in question, Minister. We will travel down that path in the future.

**Mr MATT KEAN:** That is the advice that I have been given by my experts. NSW National Parks and Wildlife Service have a great and extensive range of expertise in this area. I rely on them for the advice that I get and I will be following that advice.

**The Hon. MARK LATHAM:** It will have a big impact on the stallions.

**The CHAIR:** Minister, just going back to the situation at Braemar State Forest. You mentioned earlier that you had walked through and seen a koala in that forest. I understand that the NSW Environment Protection Authority [EPA] is visiting that forest over the next few days, is that correct?

**Mr MATT KEAN:** That is correct, yes.

**The CHAIR:** Why is that?

**Mr MATT KEAN:** That is because we want to make sure that the controls are in place to protect the koalas in that national park and make sure that any forestry operations are adhering— **The CHAIR:** You mean State forest, not national park.

**Mr MATT KEAN:** The EPA, sorry, are going in there to make sure that the State forest is operating in line with the rules and regulations that they are required to.

**The CHAIR:** So the EPA goes in and sees koalas in that State forest and various koala scats—as the activists have seen and ecologists have seen—what do they do?

**Mr MATT KEAN:** That is a question I am happy to direct to the head of the Environment Protection Authority, Mr Mark Gifford.

**Mr GIFFORD:** There are quite clear protections in the Coastal Integrated Forestry Operations Approval [IFOA]. The approval of that covers the Braemar forest as well as other forests in that area for the protecting of koala habitat—known koala habitat—be that through records or mapped koala habitat or modelled through an extensive program the EPA has undertaken over the last couple of years. Where there is known habitat for koalas or koala feed trees, that habitat and those trees are protected under the rules set within the IFOA, and the EPA will ensure that those rules are followed.

**The CHAIR:** But they have been weakened.

**Mr GIFFORD:** Not for koalas they have not.

**The CHAIR:** Yes, they have. The feed tree diameter, for example, has reduced.

**Mr GIFFORD:** General protections under the Coastal IFOA—the new IFOA that was put in place late last year—protect koala habitat, protect koala feed trees, protect them in clumps and in reserve areas.

**The CHAIR:** Is it not the case that if a koala is now seen in that forest—like you did, Minister, walking through that forest—what is the difference between the new Coastal IFOA, if a koala is seen in that forest when the loggers are there, and the old IFOA? Minister, are you aware of what that difference is?

**Mr MATT KEAN:** The specific difference, I am not across the exact detail—but there is definitely a difference. What I do know is the former IFOAs were very complex and difficult to implement and enforce. The new IFOAs should make it easier to enforce. But what I will say is that I am the new Minister; I have been in the role for six months. This koala issue is one that I am really keen to get across. Obviously, I have the ability to make some reforms that will protect koalas—that is what I intend to do—but, with regard to State forests, I need to do a lot more work and work with stakeholders to deliver a plan that balances the needs of those timber communities with the more important need, in my view, to protect the environment.

**The CHAIR:** Mr Gifford, what are the changes when you see a koala in a forest now for the loggers compared to what used to happen under the IFOA? Could you explain to the Minister what that difference is please?

**Mr GIFFORD:** Under the previous IFOA, there were requirements for surveys for things like threatened species, including koalas. Some of those rule sets have changed. With respect to koalas, the approach is to identify koala habitat and koala feed trees and, by identifying koala habitat and feed trees, assume koalas are present. In other words, it does not need to go out and find individual koalas but protects their habitat and

their feed trees. That is the rule set under the new IFOAs that are currently in place and that is the rule set that the Braemar forest operations will be adhering to.

**The CHAIR:** I understand that Braemar State Forest is going to be the first compartment that will be logged under these new rules and therefore it has the activists and ecologists up there extremely distressed because they have seen so many scats that indicate there are potentially 60 to 90 koalas; they are saying it is a koala high-use area, a very significant part of koala habitat in that part of the world. Is it not the case that, under the Coastal IFOA that is about to be applied, if a koala is observed in a tree the only thing is that tree is retained until the koala moves and then it is chopped down?

**Mr GIFFORD:** No, that is not correct.

**The CHAIR:** So what happens?

**Mr GIFFORD:** As I said before, when koala habitat or feed trees— **The**

**CHAIR:** But the loggers do not have to look for koalas now.

**Mr GIFFORD:** There are maps, modelling and records—

**The CHAIR:** Maps will not indicate whether a koala is in a tree, Mr Gifford, with respect.

**Mr MATT KEAN:** But maps indicate important koala habitat.

**Mr GIFFORD:** The rule set is protecting the habitat and the feed trees.

**The CHAIR:** The maps are missing important koala habitat. You said, Minister, that you went to Braemar State Forest, saw a koala up in that tree and we have evidence—I have got a whole document in front of me that has koala scats underneath various trees. I am visiting this forest on Sunday myself to have a look. Is it not the case that those maps are not current and forestry do not have to undertake new koala surveys?

**Mr MATT KEAN:** Could I just jump in for a moment, Madam Chair?

**The CHAIR:** Of course.

**Mr MATT KEAN:** The most current information that we have was released today, being the result of an extensive body of work to identify core koala habitat, core koala corridors and core koala populations—not core, just koala habitat, koala populations and koala corridors. This data— **The CHAIR:** Which is excellent.

**Mr MATT KEAN:** —is going to be a game changer and what my view is, the greatest threat to our koalas is the loss and fragmentation of their habitat, period. The way we need to address that is by giving regulatory effect to koala mapping. That is being done. My releasing of the maps today I hope will move towards a system where those maps are given regulatory effect. We need to ensure that we protect our koala populations and see them continue to grow. I recognise that threats to habitat loss and fragmentation are not the only thing having an impact on our populations. We have a Koala Strategy dealing with a number of those additional threats, but by releasing the maps today I hope that we can give regulatory effect that will inform development decisions, landuse decisions and also my ability to acquire new properties to add to our national park network, which will give koalas the protection they need.

**The CHAIR:** That is good to hear but we are talking about State forests. I understand it is probably frustrating for you, Minister, that there are a hell of a lot of koalas in State forests, which was confirmed to me by Forestry in a different inquiry that I am heading up into koalas—that, in fact, koalas are pretty much present in all of the forests that they log. But is it not the case that the number of koala feed trees that need to be retained in a hectare of logging, clearing every single tree pretty much, is five koala feed trees that are 20 centimetres—not 30, 20 centimetres—in diameter? Do you think that is able to support a healthy koala population?

**Mr MATT KEAN:** I am not going to comment on that today, but I recognise the issue that you are raising—and other members, ecologists and people who care about the koalas are raising that issue. I will take that on board and consider how we can respond to it. What I will say is that the new IOFA protects 260,000 hectares of koala habitat whereas the previous, old IOFA only protected about 130,000 hectares of koala habitat. Can more be done? Absolutely, and I intend to do it. With regard to Braemar, let me just say that there are issues around that. The EPA has moved in, the EPA has halted the logging operation that is proposed in that forest for the time being—they will do their body of work. As you know, the Minister does not direct the exercise of the EPA's functions but they are doing their job and sticking to their mandate.



**The CHAIR:** Thank you, Minister. I might give you a call early next week after I have visited that forest myself if I see a lot of koalas there—or any. Minister, how do you handle the conflict of interest in terms of the environmental impact of the Narrabri or Pilliga Forest coal seam gas proposal when you are looking at approving that proposal as energy Minister? How do you handle that in terms of your conflict of interest as environment Minister as well?

**Mr MATT KEAN:** Quite easily. This is a matter for the planning Minister in New South Wales and he will make the decision in line with the planning Act.

**The CHAIR:** However, you were just talking about that as energy Minister, spruiking the fact that the Narrabri gas field might be coming into development. But, as environment Minister, you would have heard a lot of concerns about the impact of that proposal on the Pilliga State Forest, I am assuming.

**Mr MATT KEAN:** I realise I am out of time but let me just say that I obviously am keen to see more gas supply coming into New South Wales. That is one project that will deliver on that objective. That project is currently being assessed through the independent planning process, and is entirely appropriate. I will wait until the outcome of that independent assessment occurs. As you know, as the Minister for Energy and Environment, I do not have the ability to make a decision with regard to that project, but would I like to see more gas supply coming in? Absolutely.

**The Hon. ADAM SEARLE:** Mr Franklin, do you have a charter letter?

**The Hon. BEN FRANKLIN:** I do.

**The Hon. ADAM SEARLE:** Are you able to provide that to the Committee?

**The Hon. BEN FRANKLIN:** I am happy to take that on notice.

**The Hon. ADAM SEARLE:** Thank you. I will ask the same question of Mr Griffin.

**Mr JAMES GRIFFIN:** Yes, I do. I am happy to take that on notice.

**ANSWER:**

Letters are attached at the end of this transcript.

**The Hon. ADAM SEARLE:** Minister, this week you said that you would not rule out legislation to secure coal supplies in New South Wales, particularly, I think, for Mt Piper Power Station. Are you talking about plans for a domestic coal reservation policy to make sure that coal-fired power stations can get access to coal at reasonable prices or are you talking about changes to planning laws to accelerate the approval for new coal mines? Or both?

**Mr MATT KEAN:** What I was talking about in *The Daily Telegraph* was the threat to the Mt Piper supply of coal. Mt Piper is the youngest coal-fired power station in our fleet. It is expected to last until 2042. Because of the Springvale mine, right now it does not think it will have enough coal to get through the short-term period, let alone to the end of 2042. I have made very clear that we will look at all options to secure the coal supply for that power station.

**The Hon. ADAM SEARLE:** What options are you looking at?

**Mr MATT KEAN:** We will look at legislative options. We will look at transport options. We will look at a range of options to ensure that that coal supply is secured to ensure that Mt Piper can continue to operate until the end of its useful life.

**The Hon. ADAM SEARLE:** Perhaps this was a misquote by *The Daily Telegraph*, but it attributed to you an intention to change the planning laws. Is that something that you are looking at? Have you spoken to Minister Stokes about that?

**Mr MATT KEAN:** An intention to change the planning laws would be a matter for the planning Minister.

**The Hon. ADAM SEARLE:** So you did not tell *The Daily Telegraph* that?

**Mr MATT KEAN:** What I said is that we will look at all options, including legislative options, to secure that coal supply. I do not know exactly what the solution is at this stage. As I did with that fine institution, *The Daily Telegraph*, I put on the public record that we are committed to ensuring that our coal-fired power stations are able to operate. To do that, we need to ensure that their coal supply is secure.

**The Hon. ADAM SEARLE:** Just to be clear, you are not proposing any changes to the planning laws in the way they assess coal mines?

**Mr MATT KEAN:** We are looking at all options to secure the coal supply for Mt Piper.

**The Hon. ADAM SEARLE:** Are you talking to Minister Stokes about all of those options?

**Mr MATT KEAN:** I will be talking to Minister Stokes. I will be talking to the resources Minister, Mr Barilaro.

**The Hon. ADAM SEARLE:** So you did not speak to Minister Stokes before you gave that interview?

**Mr MATT KEAN:** I speak to my colleagues on a range of issues with regard to my portfolio on a regular basis, including on this one.

**The Hon. ADAM SEARLE:** Minister, what are your plans for interim carbon reduction targets for New South Wales? Do you have plans?

**Mr MATT KEAN:** The first thing is, as you would have heard in her testimony the other day, the Premier committed the Government to achieving zero emissions by 2050.

**The Hon. ADAM SEARLE:** That is not new. What are your plans for interim carbon reduction targets?

**Mr MATT KEAN:** If I could just finish, I will get to that.

**The Hon. ADAM SEARLE:** If only you would.

**Mr MATT KEAN:** We need to have interim targets in order to reach zero net emissions by 2050. I plan on setting an interim target for 2030 and delivering the plan to help us achieve that objective. Obviously, a lot of work needs to go into developing that plan and setting that target but the objectives of my interim target will be as follows: one, that we reduce carbon emissions in New South Wales.

**The Hon. ADAM SEARLE:** Net carbon emissions?

**Mr MATT KEAN:** Net carbon emissions in New South Wales. Two, that we do not do it in a way that drives up cost of living for New South Wales families and businesses and, three, that we create jobs and grow our economy because of the measures we take. I see climate change not only as a threat but also as an opportunity for our economy. I think it is one we should grab.

In fact, the challenge that we face in New South Wales is one that every developed country in the world is currently facing. With the research, the technology and the resources that we have here in Australia, we can set up the next wave of manufacturing here, export our intellectual property to the rest of the world and underwrite the next wave of prosperity for this State and country.

**The Hon. ADAM SEARLE:** Will these targets be legally binding on anybody or will they just be aspirational?

**Mr MATT KEAN:** We will set a target. We will hit that target and we will have a plan that ensures that we do that. We will work through the appropriate processes within government to determine how we will go about that and what we will do. I am not going to pre-empt the government processes to do that.

**The Hon. ADAM SEARLE:** Will those reductions be focused only on the electricity sector? Will there be a component for the transportation sector? Will it also include the mining and agricultural sectors or are they getting a leave pass?

**Mr MATT KEAN:** Obviously, the three main sources of emissions in New South Wales are the energy sector, the agriculture sector and the transport sector. In my view we need to have an economy-wide emissions target that will impact those areas. We are well on track to hitting the Paris commitments in the energy sector at this stage. We do not have a plan around agriculture and transport. My view is that we should be quarantining the agricultural sector because I do not think anyone has a plan to deal with the belching of cows at this stage.

**The Hon. MARK PEARSON:** The farting.

**Mr MATT KEAN:** I think that technologies will become available to deal with those issues but right now I see a lot of low hanging fruit around the transport sector to reduce emissions. That is an area that will be the focus of our planning.

**The Hon. ADAM SEARLE:** What time frame can we expect for any concrete announcements from you about those interim targets?

**Mr MATT KEAN:** We are working through the process at the moment. I want to see a plan in place and announced as soon as possible. Obviously, I need to consult with my colleagues, the party room, and go through the normal Cabinet processes. I cannot give you an exact timetable at this stage, other than to give you a very firm commitment that I want to protect our environment. The biggest threat to our environment is carbon emissions. In order to do that, we need a concrete plan to help us achieve reductions.

**The Hon. NIALL BLAIR:** They are good Dixers.

**The Hon. PENNY SHARPE:** Minister, the final report from the Natural Resources Commission on the Barwon-Darling river system was watered down after an attack from your Nationals colleague, Minister Melinda Pavey. Do you believe that the NRC got it wrong in its draft report?

**Mr MATT KEAN:** There was not a watering down of the NRC's report. In fact, if anything, the recommendations became more robust. I welcome the work of the NRC. They are an outstanding organisation and I have full confidence in the science and the process they went through to deliver that report.

**The Hon. PENNY SHARPE:** Was it wrong for the water Minister to attack the commissioner in relation to his comments?

**Mr MATT KEAN:** The water Minister is doing an outstanding job. The water Minister said in her testimony to budget estimates the other day that her only concern was a hypothesis that was in the report. It is appropriate that the Minister raises questions about that. They were aired and, as a result, the final report was presented with even stronger recommendations about how we protect that important river system.

**The Hon. PENNY SHARPE:** Do you believe it is true that poor water extraction decisions pushed the river below Bourke into drought earlier than the natural cycle?

**Mr MATT KEAN:** I believe there are a number of factors that have had an impact on the river system.

**The Hon. PENNY SHARPE:** It was not decisions by Nationals Ministers in relation to water allocations?

**Mr MATT KEAN:** There is an independent report. That report has been presented to the Government. The Government will consider the recommendations of that report and respond in its usual way.

**The Hon. PENNY SHARPE:** Do you have a view about whether extraction decisions made a difference in relation to the water?

**Mr MATT KEAN:** I have a view that there is a report there that identifies a number of issues that have had an impact on that river system. I am very happy that the Hon. Niall Blair commissioned that important bit of work by the NRC. They have undertaken a thorough process to deliver recommendations that will ensure that the objects of the Water Act are met.

**The Hon. PENNY SHARPE:** Just to be clear—you support all of those recommendations?

**Mr MATT KEAN:** As I said, it is a final report. I have not read the final report. I have read the draft report. I have not had a chance to read the final report. It was only released this week. I have been preparing for budget estimates so I have not had a chance to go through it in great detail.

**The Hon. PENNY SHARPE:** Well, very good. Are you supportive of the recommendations in the draft report?

**Mr MATT KEAN:** Ms Sharpe, the Government has received the report. I will read the report when I get out of this budget estimates hearing.

**The Hon. BEN FRANKLIN:** The second.

**Mr MATT KEAN:** The second I get out.

**The Hon. MARK PEARSON:** Why would you want to do that?

**The CHAIR:** Order!

**Mr MATT KEAN:** Because I care about our river and I care about our environment. The NRC has done an important body of work. It has made recommendations. Those recommendations will be considered by the Government. I look forward to responding in due time.

**The Hon. NIALL BLAIR:** You deserve the afternoon off. You have done well.

**The Hon. PENNY SHARPE:** Minister, do you support New South Wales staying within the Murray-Darling Basin Plan?

**Mr MATT KEAN:** Can I take this opportunity to say—

**The Hon. PENNY SHARPE:** No. I do not want you to take the opportunity. I want you to answer the questions.

**Mr MATT KEAN:** I have tried to answer the questions.

**The Hon. PENNY SHARPE:** I have tried to be very patient here, Minister. You are clearly across your brief, which is a refreshing change from your predecessor.

**Mr MATT KEAN:** Thank you.

**The CHAIR:** Agree.

**The Hon. PENNY SHARPE:** We have a limited amount of time. You could have got the Government to ask questions so you could put on the record all those things that you are dying to tell us. We have specific questions that I now have five minutes to ask you. I would appreciate it if you could stick to what I am asking you.

**Mr MATT KEAN:** I support New South Wales being part of the plan. I also support the comments by the water Minister and the Deputy Premier that New South Wales needs a better deal from that plan. It is a disgrace that we are in the worst drought in the State's history and South Australia is pillaging our water supply. We need a better deal.

**The Hon. PENNY SHARPE:** So it had nothing to do with water extraction that was made in New South Wales. Just be clear.

**Mr MATT KEAN:** That is the water sharing plan.

**The Hon. PENNY SHARPE:** Do you agree it was a contributing factor?

**Mr MATT KEAN:** That is separate to the Murray-Darling plan, which is a Federal matter.

**The Hon. PENNY SHARPE:** Yes, I do understand that.

**Mr MATT KEAN:** The water sharing plan is a State plan that needs my concurrence. When providing concurrence to changes to the water sharing plan, I have a statutory obligation to consider the environment, the community and extractive industries in that order. That is what I intend to do.

**The Hon. PENNY SHARPE:** Minister, how many investigations and prosecutions have been abandoned under the illegal land clearing amnesty?

**Mr MATT KEAN:** I mean—

**The Hon. PENNY SHARPE:** If you do not know, I am happy for you to take it on notice.

**Mr MATT KEAN:** I do not accept the premise of your question. There have not been any prosecutions abandoned and there have not been any investigations abandoned. What we have said is that if people who have done the wrong thing, who have broken the law—if what people have done previously would have been a breach of the law under the old, unfair regime and they have broken the law under the new, fairer regime that is in place, then we will investigate them and we will take the appropriate actions to hold them to account.

**The Hon. PENNY SHARPE:** Are you able to tell the Committee whether there has been any pursuit of a prosecution regarding the Croppa Creek property, where Office of Environment and Heritage [OEH] officer Glen Turner was murdered?

**Mr MATT KEAN:** I am not aware.

**The Hon. PENNY SHARPE:** I am happy for you to take it on notice.

**Mr MATT KEAN:** I am happy to take it on notice but let me just say that what happened to Glen Turner was an absolute disgrace. It is completely unacceptable. I want to place on the record my full confidence in the outstanding work that my department is doing to manage these very difficult laws and stand up for the environment.

**The Hon. PENNY SHARPE:** That is great but there is a question here about that land.

**Mr MATT KEAN:** With regard to Croppa Creek, I am happy to take that on notice but I think we should throw the book at that family who have done the wrong thing and have basically—I do not even have words to describe how appalled I am by what happened to Glen Turner and his family. It is an absolute disgrace.

**The Hon. PENNY SHARPE:** Will you be able to provide the Committee an update in relation to any investigations and/or prosecutions regarding that property?

**Mr MATT KEAN:** I am very happy to. The matter is currently before the court and I think we should throw the book at these people.

**ANSWER:**

I am advised:

The Department of Planning, Industry and Environment is currently prosecuting Grant Turnbull, who is the owner of Colorado, in relation to clearing of native vegetation on the property in 2014. As the matter is currently before the Court, no further comment can be made.

Separate to the current prosecution, Grant Turnbull is in breach of the remedial directions on the property issued by the Land and Environment Court and the Department is taking steps to enforce those orders.

**The Hon. CATHERINE CUSACK:** It is pretty clear.

**The Hon. PENNY SHARPE:** That is good. I am not unhappy about that.

**Mr DAVID SHOEBRIDGE:** It is actually good to get good answers.

**The Hon. PENNY SHARPE:** We are happy. As I said, we are unused to this in this portfolio. It has been a long time. Minister, are you able to provide the Committee an estimate of any potential fine revenue that the Government has handed back in relation to the land clearing under the amnesty?

**Mr MATT KEAN:** I do not have those details available but, yes, I am happy to present it to the Committee.

**ANSWER:**

I am advised:

There is no amnesty. The Government has not returned any fine revenue for *Native Vegetation Act 2003* matters since the announcement of the new policy on 1 August 2019.

**The Hon. PENNY SHARPE:** It is good that you can provide that to the Committee. Minister, when are you going to ban single-use plastic bags?

**Mr JUSTIN FIELD:** Aldi ones, in particular.

**The Hon. CATHERINE CUSACK:** And we were going so well. We were all on the same page and then you had to ask about plastic bags.

**The CHAIR:** Order! It is a legitimate question if the Minister could answer it, Ms Cusack.

**Mr MATT KEAN:** Don't you wish I banned single-use plastic bags a little while ago?

**The Hon. PENNY SHARPE:** I cannot let it go, Minister. Ban Aldi bags.

**The CHAIR:** Order! Order!

**Mr MATT KEAN:** You said you did not want to give me Dorothy Dixers. Come on.

**The Hon. PENNY SHARPE:** The point being, of course, that the Aldi bag is not single use. That is what we are talking about. This is actually a serious question—

**Mr MATT KEAN:** I understand it is a serious question.

**The Hon. PENNY SHARPE:** —that you have professed in the past, as have Mr Griffin and Mr Franklin, in relation to how important it is.

**The CHAIR:** Order! Ms Sharpe, if the Minister could answer the question—

**Mr MATT KEAN:** Let me say that plastics are having a devastating impact on our environment, including plastic bags. What we want to do is deal with this issue but we want to do it in a comprehensive measure. It is not just plastic bags that should be removed from the environment; it is also single-use plastics.

**The Hon. PENNY SHARPE:** So you are not going to support Labor's bill.

**Mr MATT KEAN:** What we are going to do is develop a strategic and comprehensive plastic strategy in New South Wales to remove plastics from the system.

**The Hon. PENNY SHARPE:** How long is that going to be, Minister?

**Mr MATT KEAN:** It is a disgrace that there will be more plastic in the ocean than fish by 2050.

**The Hon. PENNY SHARPE:** You are very unhappy about a lot of things but what are you doing about them?

**Mr MATT KEAN:** It is a disgrace that people are consuming a credit card of plastic every week. The way we need to do that is get these out of the system. Right now it is so pervasive. I am planning on developing a comprehensive single-use plastic strategy in New South Wales—

**The Hon. PENNY SHARPE:** When will we get it, Minister?

**Mr MATT KEAN:** As soon as possible. There is a huge body of work that needs to go through.

**The Hon. PENNY SHARPE:** This year, next year, two years? Meanwhile, three billion bags will go in.

**Mr MATT KEAN:** But we are not just going to engage in virtue signalling—

**The Hon. NIALL BLAIR:** Show him some respect.

**Mr MATT KEAN:** —and pick off one populist issue, which is the plastic bag, which we will include in our comprehensive strategy but there are other plastics going into our environment that need be tackled.

**The Hon. PENNY SHARPE:** Why don't you do it now? We can do it now. Every other State has done it, Minister.

**Mr MATT KEAN:** I intend to do it.

**The Hon. PENNY SHARPE:** Minister, the Government's biodiversity Act now prohibits localised populations of threatened species being given a higher listing if the species is at a lower-level listing statewide. For example, the squirrel glider population in Wagga is currently listed as "endangered" while statewide the squirrel glider has a lower classification of "vulnerable". Presumably, that is because the squirrel glider is at more risk in the Wagga area. The New South Wales scientific community is no longer allowed to make higher-level listings for local populations of threatened species. Can you give us the rationale behind that, and would you consider changing it?

**Mr MATT KEAN:** I am not aware of that, I should say, so I cannot give you the rationale behind that. Would I be open to the idea of putting greater protections on our threatened, endangered native animals and species? Absolutely.

**The Hon. PENNY SHARPE:** Particularly localised populations?

**Mr MATT KEAN:** I am not across the detail of this issue. I am happy to take it on notice and am happy to work with you to find an outcome that best protects our native animals and best protects our environment.

**ANSWER:**

I am advised:

Under Clause 4.1 of the Biodiversity Conservation Regulation 2017, a specific population of a species may be listed as a critically endangered, endangered or vulnerable threatened species if:

- a) the species to which the population belongs is not separately listed as a threatened species; and also
- b) the population is, in the opinion of the Scientific Committee, of significant conservation value based on its role in the conservation of the species or a number of other species.

In 2013, the Senate Standing Committee on Environment and Communications produced the *Effectiveness of threatened species and ecological communities' protection in Australia* report. The report recommended the Australian, state and territory governments prioritise work to reduce duplication and inconsistency between their lists of threatened species. It also recommended governments work to establish uniform and integrated processes for the future listing of threatened species.

In 2015, NSW became a signatory to the *Intergovernmental memorandum of understanding - Agreement on a common assessment method for listing of threatened species and threatened ecological communities*. In doing so, the State agreed to implement the 'common assessment method' for listing threatened species, aiming to achieve a consistent approach to the assessment and listing of nationally threatened species across the Australian jurisdictions. The goal of this process is a 'Single Operational List' of nationally threatened species. The provisions of the Biodiversity Conservation Regulation 2017 have implemented this common assessment approach.

The common assessment method is based on the best practice standard developed by the International Union for Conservation of Nature (IUCN), as used to create the Red List of Threatened Species, with some amendments to suit the Australian context. It allows for a jurisdiction where the animal is found (or the Commonwealth) to assess a species, with the outcome being adopted by other states and territories where the species occurs. This reduces duplication of work across jurisdictions.

**Mr JUSTIN FIELD:** Good morning, Minister. I am sorry I missed the start—I spent the early morning with the Deputy Premier.

**Mr MATT KEAN:** You missed all the fireworks.

**Mr JUSTIN FIELD:** He made clear in his evidence this morning that it is still his intention to access the timber resource from the Murray Valley National Park. Minister, will you make sure that the Deputy Premier does not allow commercial logging in that national park?

**Mr MATT KEAN:** Over my dead body. We will never allow commercial logging in a national park so long as I am the Minister. If they want to do that, then they are going to have to get rid of me.

**Mr JUSTIN FIELD:** Thank you, Minister.

**The Hon. PENNY SHARPE:** "Minister threatens resignation over Deputy Premier's plan"—it sounds pretty good.

**Mr MATT KEAN:** Minister intends to stand up and protect our environment—shock, horror!

**The Hon. BEN FRANKLIN:** An environment Minister supporting the environment.

**The Hon. ADAM SEARLE:** It makes a nice change, Minister.

**Mr JUSTIN FIELD:** I will give you another chance to give us a good answer. At an earlier budget estimates hearing this week evidence by Mr Witherdin from the Local Land Services to questions by me suggested that the Government has completed a review of the native vegetation code after clearing rates exceeded a target— which I am not sure everyone knew existed—of about 20,000 hectares per annum. As I understand it, the Natural Resources Commission [NRC] conducted this review. Is that correct?

**Mr MATT KEAN:** Yes, that is correct.

**Mr JUSTIN FIELD:** So the NRC has completed a review into native vegetation codes. Has that review been completed?

**Mr MATT KEAN:** Yes, it has been completed.

**Mr JUSTIN FIELD:** How is it that the public knows nothing about this review?

**Mr MATT KEAN:** My understanding is that the review has been completed. A report has been handed to government. The Government will consider the recommendations of that report through its usual processes. I intend to make that report public.

**Mr JUSTIN FIELD:** I understand that in 2017—

**Mr MATT KEAN:** Can I clarify my remarks? I intend to make it public but I should say that the NRC does not report to me; the NRC reports to the planning Minister. But it is my intention to lobby the planning Minister to make that report public.

**Mr JUSTIN FIELD:** Has your office had some involvement? Have you fed into that review? Have you fed into the report? Have you had some engagement in that process?

**Mr MATT KEAN:** No, the NRC is an independent body that reports to the planning Minister. The body of work that it has done was commissioned by the Premier to look at whether or not the laws around native vegetation are actually working as they are intended to do. The NRC has reviewed those laws and how they are working. It has done that body of work. It has suggested changes that might better help us achieve the objectives when we deliver that new framework. The Government will respond to those recommendations through its normal processes.

**Mr JUSTIN FIELD:** Minister, I understand that in 2017-18 a report was prepared by the OEH—I am not sure who exactly within the department—for the Water Reform Task Force that compared modelled annual flows to actual total flows from gauges in the Darling River. Are you aware of this report?

**Mr MATT KEAN:** I am not aware of that report.

**Mr JUSTIN FIELD:** Considering this would have really significant relevance with regard to the recent NRC review of the Barwon-Darling water-sharing plan—it goes to one of the key issues about low flows and modelled flows versus actual flows and the impact of the water-sharing plan, in particular—would you undertake to seek out that report and make that report available to the Committee?

**Mr MATT KEAN:** Yes, absolutely. Can you perhaps assist my department by giving us some more detail as to what that report is and what it is called?

**Mr JUSTIN FIELD:** I am happy to, Minister. I am not aware of the title of that report. As I understand it, it was provided to the Water Reform Task Force.

**Mr MATT KEAN:** As you would appreciate, there are a lot of reports that come through to my office.

**The CHAIR:** You can do it as a supplementary question, given your time.

**Mr JUSTIN FIELD:** I am happy to provide more detail in supplementaries. Minister, over the past week we have seen fires devastate forests in northern New South Wales, with hundreds of thousands of hectares



of forest burnt down. The majority of this is national park and contains ancient Gondwana Rainforests and World Heritage-listed areas. Minister, while we are losing so much World Heritage-listed area, old-growth forest and rainforest, how can the Government contemplate opening up old-growth forest for logging?

**Mr MATT KEAN:** That process has been halted.

**Mr JUSTIN FIELD:** Evidence or more information is being sought from the Forestry Corporation. I assume once that is received there will be a reconsideration. Regardless of what that wood supply discussion is, subsequent to that information coming from the Forestry Corporation, it is a very different thing to open up old-growth forest to logging.

**Mr MATT KEAN:** Let me just give you some context. The issue that you are talking about is in relation to an election commitment from 2015, which basically said that we would ensure there was enough supply of timber to meet the contractual arrangements with the timber industry through the integrated forestry operations approvals [IFOAs], but there would be no net loss of environmental values. In order to achieve those objectives, we need to firstly determine whether or not there is enough supply of timber to meet those objectives. My understanding is that the Forestry Corporation is doing a body of work to determine whether there is enough timber. I have reason to believe that it will find there is enough timber to meet those supply arrangements, in which case it would be unnecessary for the NRC to do further work to remap old growth forests.

**Mr JUSTIN FIELD:** Thank you.

**Mr DAVID SHOEBRIDGE:** Good morning, Minister.

**Mr MATT KEAN:** I have been waiting for this all day, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** That is nice to know, Minister. Do you agree with the former Prime Minister Malcolm Turnbull's position that renewables plus storage are cheaper than coal or nuclear for new power generation?

**Mr MATT KEAN:** Yes, I do agree with that proposition. The advice that I have had—and it is not formal advice but it is anecdotal advice from industry—is that the cost of delivering energy from firmed renewables is somewhere around the order of \$60 per megawatt hour; compared with coal, which is about \$108 per megawatt hour; and compared with nuclear, which is about \$180 per megawatt hour. So the economics and the advice I have got from the industry—and that is not formal advice from the department—would suggest that firmed renewables are the cheapest of those three sources.

**Mr DAVID SHOEBRIDGE:** And, of course, those costings for coal and nuclear do not take into account the additional risk premium that capital attracts for investment in either of those kinds of power generators—is that right?

**Mr MATT KEAN:** I think that is a fair comment to make, yes.

**Mr DAVID SHOEBRIDGE:** Could I ask you to take on notice whether or not you agree with the costings that were done in the recent RMIT ABC Fact Check analysis of the various dispatchable energies, which had black coal having a mid-point cost of \$144.60 per megawatt hour, wind plus battery—

**Mr MATT KEAN:** Is that new coal?

**Mr DAVID SHOEBRIDGE:** That is new coal—all of these are new energy projects. Black coal, including a 5 per cent risk premium, had a mid-point cost of \$144 of 60 per megawatt hour; wind plus battery at \$111.50 per megawatt hour; solar plus battery \$133.20; wind plus pumped hydro \$94.80; and solar and pumped hydro \$109.10. Can we get your department's views as to whether or not that is an accurate assessment of the cost of those newer energy generations?

**Mr MATT KEAN:** Yes, I am very happy to do that. I think that is an important body of work. Can I just say that I have said very clearly since I became the portfolio Minister, that I have three objectives with this portfolio: One, that we keep the lights on; two, that we keep costs down; and three, that we make decisions based on the science and the economics. And I think that understanding the economics around the different generation methods to deliver on those objectives is really important before we make decisions.

**ANSWER:**

I am advised:

These figures come from CSIRO's GenCost 2018 report. CSIRO developed this report in consultation with industry, market bodies and government agencies. The Department regularly uses this study in its advice and as a reference point in its technical studies.

**Mr DAVID SHOEBRIDGE:** Thank you, Minister. Is it not true that in terms of energy reliability and reducing cost of energy, the priority for New South Wales needs to be getting those distribution links built—the interconnector into South Australia, the Hume interconnector with Victoria and the interconnector into Queensland—is that your priority?

**Mr MATT KEAN:** Yes, it is. We have had advice from the Energy Security Board that the way we meet the challenges presented by the closure of Liddell is to build new transmission. So we have currently expedited the process of building that infrastructure—the Queensland interconnector and the Victorian interconnector. We are working through the process to build the South Australian interconnector to help us provide the capacity that we need. In addition to that, there is also about 1,400 megawatts of new dispatchable generation capacity currently before the planning system to go hand in hand with those other projects.

**Mr DAVID SHOEBRIDGE:** But for that to work, we need to get the distribution grid built, do we not? That has got to be the priority.

**Mr MATT KEAN:** Yes.

**Mr DAVID SHOEBRIDGE:** What is your time line for getting those three interconnectors built?

**Mr MATT KEAN:** We need to make sure that we build the two interconnectors, which are critical for the closure of Liddell, before the summer of 2023.

**Mr DAVID SHOEBRIDGE:** Are they both on track—that is, the Hume and the Queensland?

**Mr MATT KEAN:** At this stage they are on track but there is a lot of delivery risk around both of those projects. We have sought to expedite the regulatory investment test for transmission [RIT-T] process, which is basically the independent assessment process that determines we are not gold-plating things. We are looking to truncate that and we have done that by underwriting. So what we have said to TransGrid is that we will underwrite the purchase of the kit so that it is not slowed down by the RIT-T process. So it is proceeding with the project while still waiting for the RIT-T process to conclude.

**Mr DAVID SHOEBRIDGE:** Minister, there is a lot of scaremongering about the shutdown of Liddell and some of that is actually based around inflated views of actually how much power Liddell produces. It has almost never produced 2,000 megawatts in the past five years, has it?

**Mr MATT KEAN:** No.

**Mr DAVID SHOEBRIDGE:** It is a clunky, old clapped-out power station that often has just one of its four turbines running.

**Mr MATT KEAN:** Yes. So the nameplate capacity is about 2,000 megawatts, but rarely do we get anywhere near that.

**The Hon. ADAM SEARLE:** It is about 750, is it not, Minister?

**Mr DAVID SHOEBRIDGE:** Well, AEMO puts it in at, I think, about 750 megawatts at best.

**Mr MATT KEAN:** The AEMO does take a conservative view of how much we can rely on in summer at peak demand. And let me just say, we need every single megawatt of capacity from all our power stations if we are going to keep the lights on in this summer and going forward.

**Mr DAVID SHOEBRIDGE:** But relying on Liddell is sort of like relying on a 1972 Corolla to get you to and from work. It is a clapped out, old—

**The Hon. NIALL BLAIR:** It works.

**Mr DAVID SHOEBRIDGE:** I had one of them—a two-door sports coupe. Minister, it is ridiculous to rely upon Liddell, given how clapped-out it is.

**Mr MATT KEAN:** There is huge risk around this old plant being able to deliver reliable energy when we need it. That is fair to say. Unscheduled outages are the biggest threat to keeping the lights on this summer and in ongoing summers. We get more unscheduled outages from old kit like Liddell than any other generation form.

**Mr DAVID SHOEBRIDGE:** There was a lot of media commentary about a recent AEMO report on the Electricity Statement of Opportunities [ESOO]. That report indicated, in part, that there may be a small shortfall if Liddell goes offline in 2022-2023. Do you remember that?

**Mr MATT KEAN:** Yes.

**Mr DAVID SHOEBRIDGE:** Is it not true that that shortfall disappears if you get your interconnectors built? Once the interconnectors are built, there is no problem with Liddell going off in terms of meeting energy security.

**Mr MATT KEAN:** So the ESOO recommended a number of ways that we can replace the capacity of Liddell, of which upgrading our transmission networks was the key one, yes. But the Queensland interconnector—and I will throw to one of my experts—will give us an additional 380 megawatts of capacity?

**Ms LEVY:** Between Queensland and Victoria 360 to 380 megawatts.

**Mr HAY:** That is combined between Queensland and Victoria.

**Mr MATT KEAN:** So I guess what I am trying to say is that we lose, let's say, 700 megawatts of capacity when Liddell closes—

**Mr DAVID SHOEBRIDGE:** Yes, on a good day with Liddell.

**Mr MATT KEAN:** —and we will replace that through new transmission, which will give us 360 and 380. But also we also need to build new generation capacity as well, which includes maybe gas peakers for example.

**Mr DAVID SHOEBRIDGE:** Surely the priority in terms of building new renewable energy in New South Wales is getting that interconnector to South Australia built so that the extraordinary solar and wind real estate across those Hay Plains will come online. When do we expect to see that South Australian interconnector built?

**Mr MATT KEAN:** The South Australian interconnector is obviously going through a process. We see the South Australian interconnector as important to bring cheap, renewable energy into the New South Wales grid. However, it does not solve my problem of needing dispatchable energy. South Australia has enormous challenges with keeping its own lights on, let alone propping up New South Wales. What we need to do is have a range of solutions to meet the energy challenges that we face, of which the South Australian interconnector is one.

**Mr DAVID SHOEBRIDGE:** But the interconnector is far more than just bringing South Australian power into the New South Wales market. It opens up that investment in New South Wales.

**Mr MATT KEAN:** Yes. You are spot on.

**Mr DAVID SHOEBRIDGE:** And that is what has been missing, is it not?

**Mr MATT KEAN:** You are spot on. The key advantage of the South Australian interconnector is it opens up a new renewable energy zone down in the south-west of New South Wales. The New South Wales Government sees that renewable energy has an important role to play in securing our State's energy future. That is why we have identified three renewable energy zones—one in the south-west, one in the Central West, and one in New England. The South Australian interconnector will help us with delivering renewable energy into the grid in the south-west.

**Mr DAVID SHOEBRIDGE:** Minister, all of these large-scale investments would be so much easier if we had a Federal energy policy and you were not having to be at war with your Federal counterpart who seems to not believe in climate change and is aggressively against renewables.

**Mr MATT KEAN:** It should be no secret—

**The Hon. PENNY SHARPE:** Tell us how much you love Angus Taylor—

**Mr MATT KEAN:** —that the position of the New South Wales Government is the best way to deal with the energy generation challenges that we face would be to give certainty to industry and to the market. The best way to do that would be—

**Mr DAVID SHOEBRIDGE:** To get a new Federal energy Minister—

**Mr MATT KEAN:** —for the Commonwealth to provide a national framework, which would provide the private sector the certainty it needs to invest. The New South Wales Government remains committed to a national framework and delivering that. However, we will work with Minister Taylor and the Commonwealth Government to deliver our objectives here in New South Wales, which are more reliable, more affordable energy into the grid.

**Mr DAVID SHOEBRIDGE:** Will you sit down and work with your Victorian, Queensland and South Australian State colleagues in the absence of action from the Federal Minister and come up with a comprehensive State-based scheme that ties those four jurisdictions together?

**Mr MATT KEAN:** We are all facing the same challenges here.

**Mr DAVID SHOEBRIDGE:** And the key challenge is the Federal Minister.

**Mr MATT KEAN:** I am absolutely committed to working with my State, Territory and Commonwealth counterparts to deliver not only our State's energy needs but also the nation's energy needs. The National Energy Guarantee [NEG] needs stable policy for the long term that will encourage the private sector to invest in the capacity that we need. That is the best way to deliver our objectives but it is not the only way. There are other ways, and we are working with Minister Taylor and the Commonwealth to explore those options as well.

**The Hon. NIALL BLAIR:** You nailed it.

**The CHAIR:** Thank you, Minister. Thank you, Mr Franklin and Mr Griffin, for attending this hearing. We are now finished with your questioning. We will break for lunch and return at 2.00 p.m. for further questioning of government officers.

**Mr MATT KEAN:** Thank you, Madam Chair. I thank all the members of the Committee. I look forward to working with you to deliver better outcomes for the environment and the energy system in New South Wales.

**(The Minister for Energy and Environment, the Parliamentary Secretary for Energy and the Arts and the Parliamentary Secretary for the Environment and Veterans withdrew.)**

**(Luncheon adjournment)**

**SHAUN SMITH**, Deputy Secretary, Corporate Services, Department of Planning, Industry and Environment, affirmed and examined

**JOHN KENIRY**, Commissioner, Natural Resources Commission, affirmed and examined

**BRYCE WILDE**, Executive Director, Natural Resources Commission, affirmed and examined

**NAOMI STEPHENS**, Acting Executive Director Park Operations, National Parks and Wildlife Service, affirmed and examined

**ROBERT QUIRK**, Executive Director, Park Programs, National Parks and Wildlife Service, affirmed and examined

**ALAN GOODWIN**, Acting Chief Executive Officer, Biodiversity Conservation Trust, affirmed and examined

**DAVID FOWLER**, Acting Chief Environmental Regulator, NSW Environment Protection Authority, affirmed and examined

**STEPHEN BEAMAN**, Executive Director, Hazardous Incidents and Environmental Health, NSW Environment Protection Authority, sworn and examined

**CARMEN DWYER**, Executive Director, Waste Operations and Programs, NSW Environment Protection Authority, sworn and affirmed

**KAR MEI TANG**, Acting Executive Director, Department of Planning, Industry and Environment, affirmed and examined

**KATE WILSON**, Executive Director, Climate Change and Sustainability, Department of Planning, Industry and Environment, affirmed and examined

**JOHN CLELAND**, Chief Executive Officer, Essential Energy, affirmed and examined

**The CHAIR:** Welcome back. I hope you enjoyed your lunch. We are now ready to go to questions from the Opposition.

**The Hon. ADAM SEARLE:** Thank you. Mr Cleland, can you tell us when Essential Energy started preparing this document, which is the organisational reshaping consultation briefing. It is dated July 2019.

**Mr CLELAND:** Mr Searle, that document. I cannot tell you exactly when that document was prepared but—

**The Hon. ADAM SEARLE:** The plan that it describes.

**Mr CLELAND:** The plan that it describes. There have been various iterations of that plan over a significant period of time. The plan that it does describe was actually discussed with the board of Essential Energy on 28 June. It was formally advised to our employees and other stakeholders on 2 July.

**The Hon. ADAM SEARLE:** In preparation to going to the board, did you have any discussions with the shareholding or portfolio Ministers about what they might accept—not seeking their approval but just letting them know that these were the sorts of things that were under consideration?

**Mr CLELAND:** I cannot specifically answer. I cannot specifically provide every meeting ahead in a period leading up to that with Treasury shareholding Ministers and portfolio Ministers. Suffice to say, there was a briefing provided in late July—27 July—to those various topics.

**The Hon. ADAM SEARLE:** Okay. What I am trying to understand is whether or not the Ministers had any inkling that this was the direction that Essential Energy's management and board were travelling in prior to July?

**Mr CLELAND:** Let me say that over the last 2½ to three years I have been very open in the fact that Essential Energy will ultimately end up employing less people than it does today. I have been very open in that position with employees and other stakeholders. The vast majority of briefings I provided to all stakeholders have included reference to the inevitability of further reductions in headcount over time. I would refer to correspondence received from the ETU on 28 November last year, which specifically cited on the basis of my briefing of employees the likely transition from circa 3,000 employees to closer to 2,500 employees—which is the number the business previously operated with in the early 2000s. There was a subsequent briefing with the ETU on 12 February this year that went through the same set of numbers. These numbers, whilst not formally in the public domain, have been well socialised, discussed and briefed with stakeholders over time.

**The Hon. ADAM SEARLE:** So 2011, I think Essential Energy had about 4,600 employees. It has now got about 3,000. Is that right?

**Mr CLELAND:** In 2012 the number was around 4,700. Today we are sitting at just over 3,000. That is correct.

**The Hon. ADAM SEARLE:** Okay. This document describes the immediate reduction of 182 jobs. I think it was then foreshadowed by September. When was that number crystallised, in your thinking?

**Mr CLELAND:** It was not crystallised in as much as it was a work in progress over a period of time. The consultation process to determine the ultimate number and the roles to be impacted formally commenced on 2 July.

**The Hon. ADAM SEARLE:** But before then the board had obviously signed off on that plan. I am just wondering when you settled on about that number and whether you communicated that to either the shareholding or portfolio Ministers? Is that something you would have done?

**Mr CLELAND:** These plans were iterated over a significant period of time. The final number as announced at the commencement of the consultation period of 182 was probably only settled on in the days leading up to that, realistically.

**The Hon. ADAM SEARLE:** Okay. But you were aware, were you not, of the Premier's statement in the Parliament that no rural or regional government jobs would be cut?

**Mr CLELAND:** I had seen media on that statement, yes.

**The Hon. ADAM SEARLE:** You obviously did not feel that was sufficiently persuasive?

**Mr CLELAND:** Mr Searle, I act as Chief Executive Officer of Essential Energy in accordance with the direction of the board and in accordance with the State Owned Corporations Act. We follow obviously the obligations of the State Owned Corporations Act and we follow Government policy, as directed.

**The Hon. ADAM SEARLE:** Yes. And just on that in relation to Government policy, you received no notification of the Government policy under section 200 of the State Owned Corporations Act from your portfolio Minister, did you?

**Mr CLELAND:** Essential Energy has not received a direction from government since the Reverse Osmosis plant was built in Broken Hill.

**The Hon. ADAM SEARLE:** So, in relation to the halting of the 182 proposed job cuts, how was that communicated to you by the Government? Did you receive a letter from Minister Kean?

**Mr CLELAND:** There were direct discussions with Minister Kean and the shareholding Ministers in the period immediately leading up to the announcement on 20 August. On 22 August we received correspondence from Minister Kean setting out the basis of that draft direction.

**The Hon. ADAM SEARLE:** When did you receive the first communication from government pushing back against the 182 job cuts?

**Mr CLELAND:** I cannot answer that.

**The Hon. ADAM SEARLE:** You can take that on notice

**Mr CLELAND:** I can take it on notice but I will come back with a myriad of interactions and communications. To specifically answer the question as to when we first received pushback, the best answer I can give to that is clearly in the media there had been various statements from members of the Government.

**The Hon. ADAM SEARLE:** Just to clarify, what I am interested in is phone calls or emails or letters that you received from the Government pushing back against the 182 job cuts, not reports in the media by various members of Parliament complaining about it. When was the first time they picked up the phone to you or wrote you a letter about their concerns about these job cuts?

**Mr CLELAND:** Several members of Parliament did write, particularly regional members, expressing their understandable concerns at regional job losses. Further to that, there was a teleconference with the Deputy Premier on or about 5 July.

**The Hon. ADAM SEARLE:** The Deputy Premier says he has lost confidence in you in your role as chief executive. What implications does that have for you continuing in your role?

**Mr CLELAND:** That is a matter entirely for the board of Essential Energy. I do not hire or fire the CEO; that is the role of the board.

**The Hon. ADAM SEARLE:** The letter from Minister Kean to you is that dated 20 August?

**Mr CLELAND:** I believe it is dated 22 August.

**The Hon. ADAM SEARLE:** Can you furnish the Committee with a copy of that letter? I am happy for you to take that request on notice.

**Mr CLELAND:** We will take that request on notice. But, yes, we can furnish the Committee with a copy of that letter.

**ANSWER:**

The letter enclosed a draft of the direction. The final direction will be available to the public in due course.

**The Hon. ADAM SEARLE:** Is the goal limited to the 182 jobs that were proposed to be cut by this September or does it also encompass a goal by the Government to not cut the other 500 jobs foreshadowed for reduction in that consultation document?

**Mr CLELAND:** For the avoidance of doubt, the further job cuts contemplated to reach a figure of 2,500 would be 400 job cuts, not 500. I am going from memory here, but the direction simply states that Essential Energy needs to cease terminating the employment of employees by way of redundancy.

**The Hon. ADAM SEARLE:** Is that for all time or for a period of time, or is it not specified?

**Mr CLELAND:** The draft direction indicates a period of 12 months.

**The Hon. ADAM SEARLE:** A period of 12 months only. What is your understanding of what would happen after that 12 months?

**Mr CLELAND:** I have no understanding of what would happen after that 12 months, Mr Searle. That would entirely be a matter for the Government and any subsequent direction they chose to make.

**The Hon. ADAM SEARLE:** In terms of the draft direction, Essential Energy and its board, on the face of it, would be free to pursue what it thought was in the best interests of the company?

**The Hon. NIALL BLAIR:** It is hypothetical.

**The Hon. ADAM SEARLE:** I am asking for the terms of the direction.

**Mr CLELAND:** Essential Energy has an obligation under the State Owned Corporations Act to act as efficiently as any other organisation. As chief executive officer of the company and as a director of the company, along with the other members of the board of directors we have an obligation to do our utmost to operate the business in the most efficient manner. We do that for the benefit of 855,000 connected customers to the network across rural, regional and remote New South Wales. I, as chief executive office, have to be cognisant of the needs and requirements of employees, our shareholders and also, of course, our connected customers.

**The Hon. ADAM SEARLE:** You have been given a draft direction. Do you have any sense of when you will be given the formal direction from government? At the moment, you have not received a formal direction?

**Mr CLELAND:** My understanding is that is a matter for the Government and the processes of the Expenditure Review Committee, the timing of which I am not aware.

**The Hon. ADAM SEARLE:** What was the dollar figure of savings that you anticipated would be achieved by reducing these 182 jobs?

**Mr CLELAND:** The specific savings that we have cited in relation to these 182 jobs would be circa \$23 million per annum. However, that is part of a much broader suite of savings we are seeking to pursue to continue on the path of achieving real reductions in our distribution charges. It is worth noting that over the five-year regulatory period of 2014-19 Essential Energy achieved a 40 per cent real reduction in its distribution charges, which has had a significant positive impact on the economy of rural, regional and remote New South Wales. Our objective is to continue to achieve real reductions to allow businesses and families and households in the area we cover to continue to benefit from reduced energy costs by way of distribution charges.

**The Hon. ADAM SEARLE:** Just on that point, whilst you may have reduced the network charges, the overall energy bills experienced by your customers have not gone down, by and large. The retailers and the generators have pocketed those savings, haven't they?

**Mr CLELAND:** I would respond to that by saying that over the period that we have achieved a 40 per cent reduction in our distribution charges there have been equal or offsetting increases in the wholesale cost of

energy as a consequence of closing Hazelwood and other closures in the market. I am not going to comment specifically on retail margins or anything of that nature. That is not something I have come prepared for.

**The Hon. ADAM SEARLE:** In relation to a submission that your organisation participated in from the network companies to the Legislative Council inquiry into electricity prices, you did make that point collectively that the work you had done in reducing, in your case, the network charges for the Essential Energy distribution area had been well and truly offset by the increased charges from both retailers and generators?

**Mr CLELAND:** Yes. Another way of stating that is to say that, had we not achieved the efficiencies we did over that period, retail electricity bills and wholesale electricity bills would have been materially higher. For a typical household in our network area, had we not made these efficiencies, the electricity bill would have been \$452 per annum. For a commercial or industrial customer, that amount would be in excess of \$2,000 per annum.

**The Hon. ADAM SEARLE:** The prospective savings from the 182 jobs that you were proposing to cut was about \$23 million a year. What about from the further 400 jobs that you anticipate reducing between now and 2024?

**Mr CLELAND:** I am happy to take that specific matter on notice, Mr Searle. What I would say is that, having achieved a 40 per cent real reduction in the 2014-19 period, we are targeting a further 8 per cent real reduction in distribution charges in the 2019-24 period. The savings we are talking about achieving, or the efficiencies we are talking about achieving, across the business—part of which is the aforementioned reduction in employees—is an implicit part of that or an important part of that.

**ANSWER:**

I am advised:

Essential Energy's business plans and regulatory proposal for 2019-24 included incremental workforce reductions as part of their reform program to deliver affordable and reliable service to customers. Prospective savings forecasted from further workforce reductions of 400 is approximately \$246 million through to June 2024.

**The Hon. ADAM SEARLE:** Just changing topics.

**Mr CLELAND:** Sure.

**The Hon. ADAM SEARLE:** I have been contacted by a person who has a rural property in the Taralga-Goulburn area relating to a problem they are experiencing with Essential Energy. The problem is that a meter installer subcontracted by the retailer Origin Energy to install an electricity meter apparently does not have, and cannot get, access to the Essential Energy keys. I think when Origin became the retailer Essential demanded the access keys from Origin be returned. There is some difficulty about getting access to your assets. Can you explain how that might be solved?

**Mr CLELAND:** Mr Searle, I will have to take that question on notice. I did not come prepared for that specific matter.

**The Hon. ADAM SEARLE:** If I furnish you with the details, will you look into and fix this matter for us?

**Mr CLELAND:** I will absolutely look into this matter and use my very best endeavours to resolve it satisfactorily. Thank you for the question.

**ANSWER:**

I am advised:

Essential Energy has investigated and provided a response directly to the Hon. Adam Searle. This matter is an issue that must be resolved between the customer, their electricity retailer, and the metering service provider. Essential Energy has also spoken to the customer directly by phone to explain the matter.



**The Hon. MARK BUTTIGIEG:** Mr Cleland, if I could just take you to some of your issues on the network. Could you tell us what processes you have in place to proactively monitor faults that may be about to occur on the network? Is there any process of going out and monitoring faults that may occur on your electricity network—aged assets I am talking about? Let me elaborate. My understanding is that you have an aged asset replacement program that would be what you refer to as "reactive". I am asking about any proactive processes you might or might not have in place.

Mr Buttigieg, that is a very wideranging and detailed question because we have assets across the length and breadth of the State of varying ages and multiple configurations—

**The Hon. MARK BUTTIGIEG:** Sure.

**Mr CLELAND:** Let me continue. We have a very sophisticated asset management process, which, to your point, does involve a level of reactive maintenance—particularly in response to storms, floods, bushfires and such like. It also has an element of proactive maintenance, where we go out and proactively replace or upgrade assets on the basis of condition as observed or age.

**The Hon. MARK BUTTIGIEG:** Okay. So are you aware of a report that was commissioned back in September 2017, where a trial was conducted over a two-week period that identified several faults—115 by my recollection—and a proportion of them were identified as critical or requiring urgent follow-up. Are you aware of that report that was commissioned?

**Mr CLELAND:** I am not aware of the report you are specifically referring to. I would have to take that on notice and seek advice as to which report you are referring to.

**ANSWER:**

I am advised:

The report referred to is in relation to a new technology for identifying potential network issues. Early in 2017, Essential Energy was approached by the Managing Director of WaveCorp, Mr Frank Steele. WaveCorp's services incorporated the use of ultrasound technology along with thermal imagery, photographs and location coordinates to identify potential network issues.

Following initial discussions between Essential Energy senior management and Mr Steele, permission was granted to undertake a pilot study utilising the technology to assess the potential for application in our inspection programmes. The trial produced 116 indications of partial discharge. Partial discharge is a low intensity discharge of electrical energy, and at low levels are a normal part of the operation of an electricity network. They are not considered faults, but indicators for future maintenance work. The readings provided in the pilot study did not meet inspection and maintenance thresholds for action, which have been derived from several sources, industry best practice, and the UK based EA Technologies (manufacturer of the majority of our partial discharge test equipment). No outstanding actions relate to those 116 indications and none of the assets identified have failed. The trial also highlighted that the instrument tested offered no additional benefits to existing methods that range from site specific partial discharge inspections, dedicated pole site inspections through to aircraft LiDAR ("Light Detection and Ranging") and drone hi-resolution pole top photography.

The costs to implement the WaveCorp technology, with respect to the potential risk, did not warrant the investment.

**The Hon. MARK BUTTIGIEG:** What if I were to tell you that the report found 115 faults and that the faults, which are still in existence as we speak now, pose a safety threat to the public? As a CEO of an electricity distributor, would you think it was within your remit to be across those things, or at least be informed by your subordinates as to those faults occurring, or about to occur, on the network?

**Mr CLELAND:** Well, absolutely. But without access to the report you are referring to, I cannot respond directly.

**The Hon. NIALL BLAIR:** What is the title of it?

**The Hon. MARK BUTTIGIEG:** I am happy to table the document but I can tell you that, of the 115 identified faults, 28 were identified to have partial discharge on overhead insulators, which could explode at any time, posing a serious threat to people in the vicinity. I am curious as to why the CEO of a State-owned electricity distributor would not be across those sorts of things.

**Mr CLELAND:** With respect, Mr Buttigieg, I have already responded to that question by saying that I am not familiar with the specific report that you are referring to.

**The Hon. MARK BUTTIGIEG:** Would it concern you that over a two-year period those faults have not yet been rectified?

**Mr CLELAND:** If indeed that were the case, of course it would concern me. I should add, though, across a network covering 737,000 square kilometres and with in excess of 180,000 kilometres of line—the overhead network—we have multiple faults at any point in time. Our remit is to manage the network at a satisfactory level of risk and manage those faults as appropriate. If there is evidence of faults that have been outstanding for some period of time, I am most certainly interested in seeing that and understanding what it is.

**The Hon. MARK BUTTIGIEG:** Sure, but you can understand the concern can you not, Mr Cleland, that in an environment where you have record-high electricity prices, you are shedding staff hand over fist and people are complaining about reliability of supply, the idea that over a two-week period you would have 150 faults—some of which may be an imminent threat to the public—would be a concern, would it not?

**Mr CLELAND:** It would indeed be a concern. Once again, let me repeat: I do not have access to the information you are referring to. I can refer you to the overall reliability of the Essential Energy network, which has improved materially in recent years, as measured by System Average Interruption Duration Index and frequency index. Both those measures indicate that the performance and reliability of the network is improving—and they are overall numbers, not numbers referring to one specific example or set of examples.

**The Hon. MARK BUTTIGIEG:** Mr Cleland, in the context of the previous line of questioning from my colleague the Hon. Adam Searle regarding the job cuts, part of the proposed way forward—notwithstanding the fact that we heard evidence this morning that statutory correspondence has not even been sent to you, effecting the halts to those job cuts—was you were to work with the ETU to find efficiency gains and alternative measures to forestall those job cuts. Can you inform us what progress, if any, has been made?

**Mr CLELAND:** That workstream is actively being undertaken now. Our objective is to report back to the Government later in the year with specific findings on that.

**The Hon. NIALL BLAIR:** Mr Buttigieg, are you tabling the report?

**The Hon. MARK BUTTIGIEG:** Yes, I will table the report.

**The Hon. NIALL BLAIR:** I would like to see it.

**The CHAIR:** Before we go to Mr David Shoebridge for questions, I understand, Ms Levy, that you have some responses to questions taken on notice this morning that you would like to provide.

**Ms LEVY:** Yes, thank you Madam Chair. There was a question in relation to a former Office of Environment and Heritage report into water monitoring and modelling. The advice that I have received from my agency is that there is no separate OEH report on water modelling for the Barwon-Darling. The former OEH contributed to work undertaken by DPI Water. So as far as we know, there is no such report. In relation to local-versus State-level threatened population listings, Ms Dumazel will provide some additional information.

**Ms DUMAZEL:** Our listings are at the State level and this is in line with the national common assessment method and also in line with international guidelines. That setting is part of our land management and biodiversity conservation laws.

**The Hon. PENNY SHARPE:** You might want to brief the Minister about that.

**The CHAIR:** Order! Was that—

**Ms LEVY:** Sorry, there were a couple of others. There was a question raised in relation to the costs undertaken for the development of the previous Wild Horse Management Plan. I am advised that the development of the Wild Horse Management Plan was prepared between 2013 and 2017, at a total cost of \$932,000. Finally, in relation to the Colorado compliance matter—the issue of Glen Turner and the murder there—there are two current matters before the court: one in relation to a new potential land-clearing matter and another in relation to the former remediation orders.

**The CHAIR:** Thank you very much.

**Mr DAVID SHOEBRIDGE:** Can I ask you what happened to the Smart Energy scheme? It was announced with great fanfare but then quietly shelved. What happened to it?

**Ms LEVY:** Effectively, it has been replaced by the Empowering Homes scheme.

**Mr DAVID SHOEBRIDGE:** Replaced? What happened to the Smart Energy scheme? You went out to market, you sought a series of expressions of interest and then you killed the program. Is that what happened?

**Ms LEVY:** There was a consultation with industry, which occurred late last year. The advice that we received was that market was still relatively immature and a decision was taken by the Government to cease that program and instead implement the Empowering Homes program.

**Mr DAVID SHOEBRIDGE:** How many applications did you receive in relation to the Smart Energy scheme in that "immature" market?

**Ms LEVY:** I understand that there were expressions of interest received from the market but I do not have the number of expressions of interest that were received. I could take that on notice.

**Mr DAVID SHOEBRIDGE:** When you say it was an "immature" market, are you basing that upon how many expressions of interest you received?

**Ms LEVY:** I was not here at the time that work was undertaken. That is the advice I have received from the agency. I would have to take that on notice.

**ANSWER:**

I am advised:

The Department received 39 responses to the Smart Energy for Homes and Businesses Expression of Interest-

**Mr DAVID SHOEBRIDGE:** What happened to the dozens—or scores—of people who put expressions of interest in to the Smart Energy scheme? What happened to those expressions of interest?

**Ms LEVY:** I understand that they were advised that the scheme would no longer be going ahead.

**Mr HAY:** I can add to that, Ms Levy. There were 39 responses to the expression of interest. Neither Ms Levy or I were there at the time, so apologies for not having that number straight to hand.

**Mr DAVID SHOEBRIDGE:** You had 39 responses and then you killed it off because you say it was an immature market. Is that really your evidence? Thirty-nine responses to the scheme and you say that the market was too immature to proceed with it? Was it not just a question of you were directed by the Minister to repackage the money for a different program? That is why you killed that off, isn't it?

**Ms LEVY:** That is a policy decision taken by government.

**Mr DAVID SHOEBRIDGE:** It was not about the fact that the Smart Energy scheme was not working; there was a direction from government to repackage the money and spend it twice, spend it on a new program.

**The Hon. NIALL BLAIR:** Point of order: This is a government policy decision and the line of questioning to the agency staff is totally irrelevant.

**The CHAIR:** I am not sure that is a point of order, Mr Blair. You know that is not a point of order.

**The Hon. ADAM SEARLE:** To the point of order—

**The Hon. NIALL BLAIR:** They just will not answer it, so that is fine.

**The Hon. ADAM SEARLE:** While the matter of policy is a matter for the Executive Government, the public servants here can tell us what the Executive decisions were.

**The CHAIR:** Thank you. Yes, I said there was no point of order. Continue, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** Was the reason that the Smart Energy scheme was shelved because, as you said, Ms Levy, there was an immature market, or was it in truth because there was a political decision taken by the Government to repackage the funds in a different program?

**Ms LEVY:** As I said, I am advised by people within the agency that the industry feedback was that the market was immature.

**Mr DAVID SHOEBRIDGE:** And that is your understanding. It was not a political decision to repackage the money, it was because of that feedback from industry. Is that your evidence?

**Ms LEVY:** There was feedback received by industry that fed into a government policy decision, which was a matter for the Government.

**Mr DAVID SHOEBRIDGE:** Notwithstanding the fact that you had 39 expressions of interest to the project.

**Ms LEVY:** That is my evidence.

**Mr DAVID SHOEBRIDGE:** The Smart Energy scheme money was repackaged into the Empowering Homes program. Is that right?

**Ms LEVY:** That is correct.

**Mr DAVID SHOEBRIDGE:** And the Empowering Homes Program was announced as, I think, a \$7.9 million project for the current financial year. Is that right?

**Ms LEVY:** I cannot talk to the amount that was announced but I can tell you the amount of funding that is allocated to the first four years of that program, which is \$65.4 million.

**Mr DAVID SHOEBRIDGE:** But we are here in budget estimates about this budget. I am asking you how much was allocated in this budget. A media release from the Government said that it was \$7.9 million in the 2019-2020 budget. That could be wrong.

**Ms LEVY:** Sorry, I stand corrected. It was \$7.9 million this year and over \$65.4 million over the forward estimates.

**Mr DAVID SHOEBRIDGE:** That was announced in the budget on 17 June, is that right?

**Ms LEVY:** I am just checking the dates. That is right—announced on 18 June via a press release.

**Mr DAVID SHOEBRIDGE:** Is it true that it was not until 26 June that the formal case was presented to Treasury making the case out for that budget allocation? That was in a document created on 26 June, the internal analysis that went to Treasury.

**Ms LEVY:** I would have to take that question on notice as to the date it was provided to Treasury.

**Mr DAVID SHOEBRIDGE:** It was after the budget though, was it not?

**Ms LEVY:** I do not know the answer to that question. I would have to take that on notice.

**ANSWER:**

I am advised:

A response was provided during the course of the hearing (see page 86 of uncorrected transcript).

**Mr DAVID SHOEBRIDGE:** Documents produced in a call for papers had in a 26 June government internal analysis that, it said of the program, "There was a risk of it enticing medium- to low-income families into a loan they may not be able to pay back." Is it true that the Empowering Homes program has a risk of enticing medium- to low-income families into a loan they may not be able to pay back?

It is important to note that there is a normal process for the development of any program—that we have to undertake a risk assessment. We would do that as part of our internal processes and part of the Treasury processes and there is a Treasury template that we are required to complete for that assessment. The normal course of activity for that is to identify all the ranges of possible risks that could occur across the program so that we can then undertake to mitigate against those risks eventuating. That was simply our project team identifying all of the potential range of risks and then going about putting in place the mitigations and measures to assess against those. That is one of the many risks that could potentially happen with any program and we would ensure that we are doing everything possible to ensure that did not happen.

**Mr DAVID SHOEBRIDGE:** So, Ms Levy, you now know the document I am referring to.

**Ms LEVY:** I know the document; I did not know the date of the document.

**Mr DAVID SHOEBRIDGE:** That document said that the program had a risk of enticing medium- to low-income families into a loan they may not be able to pay back. Why is it that that risk is only advised to Treasury some 10 days after the funds are allocated in the budget? That seems to me to be a very back-to-front way of doing things: you announce the project, you announce the funding and then you do the risk analysis. Is this normal?

**Ms LEVY:** The risk analysis would have been done by our team throughout all the development of the program. As to when that document was submitted to Treasury, as I have said, I do not know the date that that document was submitted. Our role now is to ensure that that does not occur. We will be putting checks and balances in place, there will be advice provided to potential applicants in terms of what is the right program for them, we will be providing support to them, and there are checks and balances in place in terms of appropriate credit checks to make sure that only people who can afford those loans should be entering into them.

**Mr DAVID SHOEBRIDGE:** We are three months into the financial year. Are you saying none of this has been put in place yet and not a dollar has been allocated under the Empowering Homes program?

**Ms LEVY:** What we are saying is the program is still in development. We have not gone to the community to look for expressions of interest from the community; we are still developing the program. We are talking to potential partners and tenderers to be part of this program with us. It is still early days—very early in the development. We do not anticipate going out to the community until next year.

**Mr DAVID SHOEBRIDGE:** Is it true that this privatised scheme also poses a significant risk to health and safety, including potential death, because there are inadequate skills and capacity to install these projects, particularly in regional New South Wales? Was that one of the risks identified in that document?

**Ms LEVY:** That was one of the many risks identified in the proper due diligence that is taken in the development of any project and we would make sure that we put in place all of the checks and balances to ensure that that did not occur.

**Mr DAVID SHOEBRIDGE:** Given that the problem is a fundamental lack of skills and capacity to install this in the private market, how are you going to fix that?

**Ms LEVY:** This program is in early development. Those are the things that we will have to work through during that development phase.

**Mr DAVID SHOEBRIDGE:** Do you not think all of this should have been done and all of this work should have been in place before you announced the \$65 million project in the budget? I just do not understand how you are doing this months after the budget announcement. Is this normal practice in the department?

**Ms LEVY:** There is a level of work that is done to inform budget decisions taken by government and then through the program development it is normal to identify risks. It is absolutely normal for any project to have a risk register, to identify those risks and to work through them systematically. Through the various phases of the project you start to work through risks; you eliminate them as you go through. Yes, it is. Working across many sectors of government we identify risks, we work to identify them, we work to mitigate against them and resolve them as we work through a program.

**Mr DAVID SHOEBRIDGE:** After they have been approved and announced in the budget? You do the risk analysis after you have got \$65 million of public money set aside.

**Ms LEVY:** We do a level of risk analysis at various stages of the project and we continue to do that risk analysis throughout the life of the project. We will continue to do that right up until the program has commenced, and even once it has commenced we will continue to manage risks appropriately.

**Mr DAVID SHOEBRIDGE:** Mr Hay, did you want to add something?

**Mr HAY:** Ms Levy has summarised it very well. It is a normal process for any major project to express the risks freely and frankly to make sure they are addressed well and truly throughout the process, to take them to different levels of a detailed at-risk analysis throughout the course of the project. We will have stage gates for each of these risks—particularly the safety risks you refer to—to make sure that prior to anything going live we are across those risks. So this is normal, prudent practice across any form of project of this nature.

**Mr DAVID SHOEBRIDGE:** What was the total amount of the Climate Change Fund funding for renewable energy in the last financial year?

**Ms LEVY:** Just bear with me, I will turn to the folder.

**Mr DAVID SHOEBRIDGE:** I will also be asking you questions about this concept of advanced energy that is referred to at different times by the Climate Change Fund.

**Ms LEVY:** Sorry, the amount spent on renewable energy, was that the question?

**Mr DAVID SHOEBRIDGE:** In the last financial year.

**Ms LEVY:** We have a breakdown of the list of all of the costs across the programs. It would be our costs across our delivering reliable, clean and affordable energy. There was a total in 2018-19 of \$17.2 million spent across that part of the program.

**Mr DAVID SHOEBRIDGE:** That is not just renewable energy. That is clean and reliable. Is that right?

**Ms LEVY:** That is the definition—reliable, clean and affordable energy. We can give you a more detailed breakdown on a line by line of the programs.

**Mr DAVID SHOEBRIDGE:** What was the thinking that said, out of a \$1.4 billion fund for climate change, only \$17.2 million—at most—is allocated to renewable energy projects? What is the thinking behind making slightly more than 1 per cent of the fund paid into renewable energy projects?

**Ms LEVY:** You asked for the amount of money spent in the last financial year. The Climate Change Fund is a five-year program. The amount across that broad spectrum is just under \$250 million.

**Mr DAVID SHOEBRIDGE:** Over five years?

**Ms LEVY:** Over five years.

**Mr DAVID SHOEBRIDGE:** Which is slightly over \$40 million on renewable energy per year.

Is that right?

**Ms LEVY:** Something like that.

**Mr DAVID SHOEBRIDGE:** The previous annual reports on the Climate Change Fund from the former Office of Environment and Heritage show that between 2010-11 and 2014-15 expenditure on renewable energy projects averaged \$207 million each financial year. What was the thinking that saw the renewable energy project funding drop from \$207 million each financial year to, at most, \$250 million over four financial years? What is the thinking behind that?

**Ms LEVY:** I think this is a matter of policy for the Government in relation to their decisions. How the Climate Change Fund was allocated is a policy matter for the Government.

**Mr DAVID SHOEBRIDGE:** Who is making that decision about the allocation of spending from the Climate Change Fund? Take me through how decisions are made about the allocation of funding from the Climate Change Fund.

**Ms LEVY:** The Government approved the \$1.4 billion funding envelope in 2016 and approved the allocation of \$910 million at that time. Subsequent decisions were taken by government in 2017 for the allocation of the remaining funding over two different Cabinet decisions.

**Mr DAVID SHOEBRIDGE:** So it is purely a Cabinet decision of allocation from the Climate Change Fund? Is that right?

**Ms LEVY:** How that money was allocated was a policy decision by government, yes.

**Mr DAVID SHOEBRIDGE:** Is there a process in place whereby allocations from the fund are assessed? Is there a departmental process that assesses them? Is there an open tender process? How does it happen?

There was a business case prepared to support the Climate Change Fund allocations.

**Mr DAVID SHOEBRIDGE:** That is the \$900 million?

**Ms LEVY:** I might refer to Ms Dumazel. She was here at the time.

**Ms DUMAZEL:** The energy efficiency programs and the clean energy programs were supported by fully costed business cases endorsed by Treasury. In 2017 and 2018 the packages that Ms Levy was referring to before focused on energy efficiency programs, bill savings, clean energy and community and resilience programs.

**Mr DAVID SHOEBRIDGE:** So they were business cases developed by the department. Is that right?

**Ms DUMAZEL:** By the relevant agencies at the time.

**Mr DAVID SHOEBRIDGE:** The Office of Environment and Heritage?

**Ms DUMAZEL:** Office of Environment and Heritage and also the Energy colleagues at the time.

**Mr DAVID SHOEBRIDGE:** I am trying to work out how it is—obviously a series of business cases were presented up to 2015 that had renewable energy projects funded at about a quarter of a billion dollars a year but then after 2015 business cases were presented that saw renewable energy funded at \$17.2 million in the last financial year. If these business cases are being developed from the department up, how have we seen such a radical change?

**Ms LEVY:** I cannot talk to whether there were business cases that supported the decisions of the previous Climate Change Fund. What I can tell you is that there was a business case developed to support this one, and those were decisions taken by the Government.

**Mr DAVID SHOEBRIDGE:** Was the business case in response to initiatives or priorities directed from the Minister to the department or were they just generated spontaneously from the department or the Office of Environment and Heritage?

**Ms LEVY:** There would have been substantial work—like any business case—that goes into the development of the objectives. They would be looking at following the objectives of the Act. They would then develop a range of options, assess those options and put those through various stages of approval, including Treasury review, to prepare a final business case to inform a government decision.

**Mr DAVID SHOEBRIDGE:** Ms Levy, you said that \$17.2 million was allocated for renewable energy in the last financial year. Is that right? Or that broader class?

**Ms LEVY:** That was the actual expenditure in 2018-19 across the delivering reliable, clean and affordable energy.

**Mr DAVID SHOEBRIDGE:** What was the budget? Do you know?

**Ms LEVY:** The 2018-19 budget? Ms Dumazel, do you know the budget for that year as opposed to the actual expenditure?

**Ms DUMAZEL:** Not for that suite of programs.

**Mr DAVID SHOEBRIDGE:** Can you take it on notice and get back to us?

**Ms DUMAZEL:** I can take that on notice.

**Ms LEVY:** I can take that on notice, yes.

**ANSWER:**

I am advised:

CCF Renewable energy expenditure vs budget 2018-19:

<b>CCF Renewable Energy Program</b>	<b>2018-19 Actual Expenditure (\$M)</b>	<b>2018-19 Final Budget (\$M)</b>
Empowering homes program	0.8	3.8
Smart energy storage for key government buildings	0.9	1.1
Emerging energy generation fund	1.9	2.0
Regional community energy programs	0.9	1.1
Rooftop solar systems for eligible low-income households	0.6	0.7
National energy regulation contribution	12.1	11.3
Demand response trial in partnership with the Australian Renewable Energy Agency (ARENA)*	0.0	1.8
<b>Total:</b>	<b>17.2</b>	<b>21.8</b>

**Mr DAVID SHOEBRIDGE:** What is the budget for the current financial year? Is it for the same suite of programs? I will rephrase the question: What is the budget in the current financial year for renewable energy projects coming out of the Climate Change Fund?

**Ms DUMAZEL:** What I can give you for that suite of programs, the delivering reliable, clean and affordable energy, for the five-year allocation—we are talking 2017 through to 2022—is \$234.8 million.

**Ms LEVY:** I can confirm that for this year, for the 2019-20 budget year, the allocation across the same program—the delivering reliable, clean and affordable energy—is \$65.4 million.

**Mr DAVID SHOEBRIDGE:** Either now or on notice, can you give a breakdown of what those individual projects are for the \$65.4 million this year?



**Ms LEVY:** I can. There is the Empowering Homes Program, the smart energy storage for key government buildings, the emerging energy generation fund, the regional community energy projects, the rooftop solar systems for eligible low-income households, the national energy regulation contribution and the demand response trial in partnership with the Australian Renewable Energy Agency.

**Mr DAVID SHOEBRIDGE:** One of those programs is to expand rooftop solar on government properties. Is that right?

**Ms LEVY:** That is correct.

**Mr DAVID SHOEBRIDGE:** Can you tell me what proportion of the government energy use is currently met by installed rooftop solar and what the proposed proportion of government energy use provided by rooftop solar will be at the end of that project?

**Ms LEVY:** Dr Wilson, are you able to comment on that one?

**Dr WILSON:** Currently installed is about 10,000 megawatts. The target is 55,000 megawatts. I would have to confirm, but I understand that is about 3 per cent of government energy use.

**ANSWER:**

I am advised:

There is currently an estimated 11,000 megawatt hours of solar installed on NSW government buildings, which represents 0.6 per cent of government electricity use (based on 2017/18 electricity use figures). On achievement of the 55,000 megawatt hours solar target, 3.2 per cent of government electricity use would be supplied by rooftop solar.

**Mr DAVID SHOEBRIDGE:** Who decided on a target of 3 per cent of energy use coming from installed solar? How do you get such a low target?

**Mr HAY:** I can take that. Part of that is about looking at the available light real estate—what is suitable to actually use for that purpose. So it is about understanding what the resources are on which you can install this equipment.

**Mr DAVID SHOEBRIDGE:** This has been described as a stretch target at different times. Do you accept that 3 per cent of energy use coming from installed rooftop solar is a long way from a stretch target?

**Mr HAY:** No. I think it is about looking at what is the available resource over time and understanding that. So the initial target was—

**Ms LEVY:** I will clarify that this is smart batteries for government buildings, so it is in support of solar.

**The Hon. PENNY SHARPE:** I will be asking questions about national parks so we may need to get a couple of other witnesses at the table. We are looking for Ms Stephens, Mr Quirk, Mr Pettit and Mr Fleming.

**Ms LEVY:** Okay, we can swap the teams out.

**The Hon. PENNY SHARPE:** Is that okay? Sorry. It is going to be a bit like that.

**The Hon. MARK LATHAM:** Madam Chair, are we now going to just a range of officials in the portfolio rather than grouping?

**The CHAIR:** We are being reasonably flexible as to that, but we may be going into more of a conservation theme.

**The Hon. NIALL BLAIR:** But she can always come back. The witnesses are not leaving.

**The Hon. PENNY SHARPE:** The witnesses are not leaving so you can call whoever you need.

**Ms LEVY:** All the witnesses will stay behind.

**The Hon. PENNY SHARPE:** I wanted to ask you about Kosciuszko National Park and the impact of feral horses there. Are you able to provide the Committee information on your current understanding of the size of the horse population in Kosciuszko National Park? I am not sure who is the best person to ask.

**Ms LEVY:** I can kick off and the others can answer. The most up-to-date information that we have was a survey and field work that was done in 2014, which indicated the population at the time was 6,000. We have initiated a new survey. The field work for that survey has been completed.

**The Hon. PENNY SHARPE:** When was that completed?

**Mr PETTITT:** In autumn this year.

**Ms LEVY:** The report has not been received. That work is being verified and independently peer reviewed.

**The Hon. PENNY SHARPE:** Sorry, to clarify, in May?

**Mr PETTITT:** Yes.

That report is being prepared by the statistician and is going to be verified and independently peer reviewed but we have not received information.

**The Hon. PENNY SHARPE:** I know there is a lot of toing and froing about how you count. I am not really trying to pick that apart. But is it safe to say that the horse population has increased since 2014?

**Ms LEVY:** The information that we had from 2014 was that there was an increase in the horse population.

**The Hon. PENNY SHARPE:** Do you have a rough percentage about what that is?

**Ms LEVY:** There was a range of percentages up to, I believe, 17 per cent. Mr Pettitt?

**Mr PETTITT:** That is correct.

**The Hon. PENNY SHARPE:** That is the upper level.

**Mr PETTITT:** It is 6 to 17 per cent.

**The Hon. PENNY SHARPE:** Depending on how you count it.

**Mr PETTITT:** No, depending on topography and location in the park.

**The Hon. PENNY SHARPE:** That is right. What activities have been undertaken in the past year in relation to managing the horses in the park?

**Ms LEVY:** Mr Pettitt?

**Mr PETTITT:** In 2018 we have been undertaking some work on the proposals of where we go. There were no horses removed in 2018-19.

**The Hon. PENNY SHARPE:** That was the last time a horse was removed from the park?

**Mr PETTITT:** It was in 2017-18.

**The Hon. PENNY SHARPE:** Do you know when? Was it at the end of 2017-18? I am trying to get roughly how many months it has been since a horse has been removed from the park.

**Mr PETTITT:** It is on the order of October 2017.

**The Hon. PENNY SHARPE:** How is the National Parks and Wildlife Service tracking the damage that has been done to the park from the horses?

**Mr PETTITT:** There was a series of work being done. For example, on the treeless river streams and what have you, there is some work being undertaken by drones to understand the impacts on those streams and evidence of increased impacts. That is being undertaken at present and it will continue.

**The Hon. PENNY SHARPE:** I do not think there is any disagreement that there is damage being done. Is there any restoration work taking place in relation to these streams?

**Mr PETTITT:** The work at the moment is looking at some of the areas where they are most fragile.

Some of the works we are looking at, for example, are a fencing of an area to look after the galaxias.

**The Hon. PENNY SHARPE:** The fish?

**Mr PETTITT:** Yes.

**The Hon. PENNY SHARPE:** It is a pretty extraordinary thing to have to put a fence in the middle of a national park. Is that the only way that you think you are going to be able to deal with that matter?

**Mr PETTITT:** No. One of the things we are looking at with the creation of the Community Advisory Panel and the Scientific Advisory Panel is getting advice from those groups to develop a plan, which will then go on exhibition to community and get submissions from there and work forward from that.

**The Hon. PENNY SHARPE:** How is the interplay of the Kosciuszko wild horses bill working in relation to the plan of management for Kosciuszko National Park?

**Mr PETTITT:** The Act itself calls for the creation of the Community Advisory Panel. It does influence and affect what outcomes may occur in the plan of management itself.

**The Hon. PENNY SHARPE:** So is it impacting on your ability to manage the horses?

**Mr PETTITT:** No.

**The Hon. PENNY SHARPE:** It is not. You are not really managing them but you are not really dealing with them at the moment but it could be a problem in the future.

**Mr PETTITT:** The Community Advisory Panel has only just been created as of this week.

**The Hon. PENNY SHARPE:** Yes, I saw the media release.

**Mr PETTITT:** The Scientific Advisory Panel will meet as soon as we can get people to the table. From there, we will start working towards gaining their advice on the development of those plans.

**The Hon. PENNY SHARPE:** Is there an issue in relation to getting scientific people to the table on this?

**Mr PETTITT:** No. At last count, of all those asked to be on the panel, there was only one who had not responded. She is currently in the United States and away from email contact.

**The Hon. PENNY SHARPE:** I am going to ask some questions about logging in national parks. That is currently a banned activity, isn't it?

**Mr FLEMING:** It is not.

**Ms LEVY:** It is not permissible under the Act for commercial logging.

**The Hon. PENNY SHARPE:** Obviously, there are a variety of proposals from different people in relation to parks. Has the National Parks and Wildlife Service provided any advice to the Minister or the Government generally regarding proposals for logging in national parks?

**Ms LEVY:** Not advice in relation to logging.

**The Hon. PENNY SHARPE:** Advice in relation to thinning?

**Ms LEVY:** In thinning, yes.

**The Hon. PENNY SHARPE:** Can you tell me what the nature of that advice is?

**Ms LEVY:** It is very preliminary but we have provided advice on the current thinning program that was in place and what that program curtailed and the outcomes of the program that we know to date.

**Mr FLEMING:** And how that activity contributes to maintaining the health of, say, Murray Valley.

**The Hon. PENNY SHARPE:** Do you have concerns about commercialising that activity? Can you provide any advice about that?

**Ms LEVY:** As we said, commercial logging is not permissible under the Act and that is the framework within which we are moving. The Minister gave his views on the government policy on that this morning.

**The Hon. PENNY SHARPE:** I heard that. I am not sure the Deputy Premier agrees. Anyway, that is okay; that is not for you. I go back to the scientific committee in relation to the Kosciuszko National Park. Is that scientific committee new or has it previously existed?

**Mr PETTITT:** When we were developing the 2016 plan we had the Independent Technical Reference Group. There was one member who was on that group then who is now on the new Scientific Advisory Panel.

**The Hon. PENNY SHARPE:** Is it replacing the old technical group with the new group?

**Mr PETTITT:** That is correct.

**Ms LEVY:** There are two groups now—a scientific group and a community group.

**The Hon. PENNY SHARPE:** Can you give the Committee an update on the promised Grand Cliff Top walk in the Blue Mountains? Who can talk to me about that?

**MS STEPHENS:** The Grand Cliff Top walk will be funded under our new policy—improving access to national parks.

**The Hon. PENNY SHARPE:** Can I be clear how much funding is set aside for that?

**MS STEPHENS:** It is \$149.7 million for the entire program.

**The Hon. PENNY SHARPE:** How much for the Grand Cliff?

**MS STEPHENS:** I look at Mr Quirk. I think it is about \$10 million for Grand Cliff Top walk.

**Mr QUIRK:** It is \$9.6 million, particularly for that walk.

**The Hon. PENNY SHARPE:** Previously it had been stated that it was going to be \$20 million. Is that \$10 million in total?

**Mr QUIRK:** It is \$10 million in total that has been currently allocated. The Grand Cliff Top walk has a number of iterations and this is really stage one.

**The Hon. PENNY SHARPE:** What is the time frame for stage one being completed?

**Mr QUIRK:** It is four years.

**The Hon. PENNY SHARPE:** It is \$10 million over the next four years. Can you give me an update—you may not be able to do this—on the radiata pine plateau in the Blue Mountains. There have been views given in relation to trying to include that in that area of land into the national park. Are you able to give any information to the Committee about that?

**Mr FLEMING:** We are certainly in discussions with the owner but you will appreciate the commercial sensitivity. I am more than happy to—

**The Hon. PENNY SHARPE:** I get that. That is completely fine. Can I ask briefly about the Light to Light walk at Ben Boyd National Park? My understanding is that the draft plan of management suggests that you are not going to be allowing pack camping with that the park anymore. Is that correct?

**Mr QUIRK:** The draft plan of management and the draft walking track strategy have been out on display for public comment. What they do identify is that it would not allow unregulated camping in the coastal part of Ben Boyd National Park.

**The Hon. PENNY SHARPE:** That is currently allowed, though.

**Mr QUIRK:** It is, yes.

**The Hon. PENNY SHARPE:** The plan is to basically force people into car camping in identified areas. Is that the case?

**Mr QUIRK:** No. The 2010 plan a decade ago when the walk was first commenced identified the fact that there were issues arising with unregulated coastal camping and flagged the point at that stage a decade ago that we may well have to develop developed camping areas. What the plan suggests is that we would stop unregulated camping on the coast. We would develop two sites where there would be accommodated camping, including making platforms that you can pitch your tent on. We would redevelop the two car-based sites for walk-in camping so that we have both vehicle-based and walk-in camping at Saltwater and Bittangabee.

**The Hon. PENNY SHARPE:** But the ability just to go and put your tent up somewhere that you have walked into, often quite a long way, may not be the case anymore. Is that right?

**Mr QUIRK:** You will still be able to do that anywhere in the park except the coastal strip. The difficulty with Ben Boyd is it is actually never a very long way. And some of the issues we are having with coastal camping is in fact from people who are walking in from car parks that are only half a kilometre away. It is getting very high levels of unregulated use. There are no toilets, there are no fireplaces and it is becoming quite problematic.

**The Hon. PENNY SHARPE:** Will there be costs associated with people camping?

**Mr QUIRK:** There are costs associated with camping in the campgrounds at Saltwater and Bittangabee now, yes.

**The Hon. PENNY SHARPE:** Yes. But unregulated, there is not.

**Mr QUIRK:** Unregulated, there is no cost because there are no services provided. Really, that is what it is about. Most of our busy coastal areas now we have had to move to serviced campgrounds just because of the impact of unregulated use.

**The Hon. PENNY SHARPE:** But that comes at a cost to the families that want to camp—does it not?

**Mr QUIRK:** It does, yes.

**The Hon. PENNY SHARPE:** Okay. Thank you. I want to talk about land clearing now. There has been a significant increase in land clearing over the past six years. How is the increase in land clearing being monitored by the department?

**Ms LEVY:** If you are referring to land clearing under the code, authorised land clearing is monitored by Local Land Services.

**The Hon. PENNY SHARPE:** But obviously the impact on the environment—I am coming to it—is that we have got another 26 threatened species since 2015. Critically endangered species are all on the rise and habitat is being cleared. I am just wondering how the environment part of the New South Wales Government is monitoring that and reporting to Government about it.

**Ms LEVY:** The monitoring of and reporting to government on authorised land clearing is a matter for the Local Land Services through the Minister for Agriculture and Western New South Wales. The environment role in this is around our private land conservation, our work with the Biodiversity Conservation Trust and the investment of \$350 million over five years to invest in private conservation. Our other sort of part of the whole reforms is around managing our Saving our Species program and improvements to the Biodiversity Offsets Scheme.

**The Hon. PENNY SHARPE:** But we are not saving our species, Ms Levy. This is the problem. I want to know whether the department is providing any advice to government or to Ministers or within your own department with the large cluster on whether the increase in land clearing is impacting on the growing number of threatened species in New South Wales. Who is reporting on the threatened species increase?

**Ms LEVY:** Our role is to consider all of that, and we work with government on managing threatened species through our Saving our Species program.

**The Hon. MARK PEARSON:** How do you consider it?

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

**The Hon. MARK PEARSON:** What is the measure you use to consider it?

**Ms LEVY:** I might hand to Ms Dumazel in a minute.

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

**Ms LEVY:** But we have a rigorous process to identify those species that we invest in through our Saving our Species program. We are currently investing in 400 endangered species as part of that program. That is an ongoing five-year commitment to doing that.

**The Hon. PENNY SHARPE:** I am asking about the interplay around advice and monitoring the science around increased land clearing and the increasing number of threatened species and critically endangered species. Is there any discussion in the cluster between any of you, or between you and the Ministers, around raising any red flags about this? And if so, who is the person that would do that?

**Ms LEVY:** As I said, the monitoring of authorised land clearing is the responsibility of Local Land Services through to the Minister for Agriculture and Western New South Wales.

**The Hon. MARK PEARSON:** But is there a point where your department says, "We have a crisis here. You have to stop. We have to look at this"? This is what the Hon. Penny Sharpe is referring to—species are declining. Is there a critical point where you raise the red flag, so to speak, as Ms Sharpe was saying?

**Ms LEVY:** As I have stated, our role in the land reforms that resulted in the outcomes that we have today is through the Biodiversity Offsets Scheme, through the private land conservation, through our Saving our Species program and through the management of—

**The Hon. PENNY SHARPE:** Yes, I understand your role and I understand there is a program for everything. We have done a lot through budget estimates. We have listened in the last two weeks and there is a program to fix every problem. The real problem we have got here is that threatened species are increasing. I want to know, where is the intellectual science and advice coming to government saying, "Surely the increase in land clearing and the increase in the number of threatened species means we have a problem here around habitat clearing"? Are any of your departments even looking at that? Are you just saying, "That is Local Land Services. Not our problem. We have got a program to fix and try to put a bandaid on the problem." Where is the analysis going on about the correlation between increased land clearing and the increased number of threatened species?

**Ms LEVY:** There is a commitment to undertake a review of the land clearing and biodiversity conservation reforms in three years. We are still early days from the reforms. They were only brought into place two years ago.

**The Hon. PENNY SHARPE:** With respect, in two years the amount of land clearing, whether it is legal or illegal, has doubled and in another three years we could have it tripled. At the same time we have got more and more species becoming threatened every day. Are you really saying that the only advice that we are going to get to government around the correlation between land clearing and threatened species is a review in three years' time?

**Ms DUMAZEL:** We also have a Biodiversity Indicator Program.

**The Hon. PENNY SHARPE:** What is that? Can you tell me about that, please.

**The Hon. NIALL BLAIR:** It is gorgeous.

**The CHAIR:** Order!

**The Hon. NIALL BLAIR:** It includes set-asides and Conservation areas.

**The CHAIR:** Order! Please allow the witness to speak.

**The Hon. PENNY SHARPE:** I am not being rude about it.

**The Hon. NIALL BLAIR:** Yes, you are.

**The Hon. PENNY SHARPE:** I am genuinely trying to find out— **The**

**CHAIR:** Order! There are a few people interjecting.

**The Hon. NIALL BLAIR:** It started over there.

**Ms DUMAZEL:** I thought I might just run through some of the key features and that might help.

**The Hon. NIALL BLAIR:** I did not start it. The questioner started it.

**Ms DUMAZEL:** We have got the Biodiversity Indicator Program. It has been developed to collect, monitor and assess biodiversity trends in New South Wales over time.

**The Hon. PENNY SHARPE:** So where does that sit in the department?

**Ms DUMAZEL:** It sits within our science division, and that sits within the Environment, Energy and Science group.

**The Hon. PENNY SHARPE:** And who do they report to?

**Ms DUMAZEL:** They report to Ms Levy. Actually, they report to the Deputy Secretary of Policy, Strategy and Science, which fits within the Environment, Energy and Science group.

**The Hon. PENNY SHARPE:** I have seen your org chart, it is terrifying. Yes, go on. You do not have to comment.

**Ms DUMAZEL:** That indicator program was released in May 2019. It has been peer-reviewed. It is a peer-reviewed scientific method. It has been developed to assess biodiversity and ecological integrity across New South Wales—starting from the commencement of the Biodiversity Conservation Act in 2016.

**The Hon. PENNY SHARPE:** Does it have interim reporting? Is it reporting every year? How is it reporting and how is that information happening? My concern here is that if the only bit of advice we are going to get is in three years' time, how is that going to fit in the meantime?

**Ms DUMAZEL:** There will be a biodiversity outlook report that will be coming out soon.

**The Hon. PENNY SHARPE:** When?

**Ms DUMAZEL:** I will have to take that on notice.

**ANSWER:**

I am advised:

It is anticipated that the Biodiversity Outlook Report will be published by the end of 2019.

**Ms LEVY:** The timing is a matter for government but the report is being prepared.

**The Hon. PENNY SHARPE:** Is it with the Minister at the moment?

**Ms LEVY:** No, it is not.

**Ms DUMAZEL:** No. But it will be peer-reviewed and that will come out. In terms of monitoring each year—we have released data for 2017-18, the most recent data.

**The Hon. PENNY SHARPE:** You released the data and you put it on a website. Is there a report to Government or the Minister somewhere about the impact?

**Ms DUMAZEL:** As part of that process there is ongoing monitoring and compliance at the time of that.

**The Hon. PENNY SHARPE:** Yes. So we are looking at it and we are saying we are complying with it, but when are we actually raising the red flag to the Government or the Minister to report through on the impact? There is a lot of data but what actually happens with the data? What role does your department play in advising the Government about what is happening with the data?

**Ms LEVY:** We do have a role to play in terms of compliance against clearing and we certainly report on the outcomes of that work.

**The Hon. PENNY SHARPE:** That is not really quite what I mean. That is okay. I will keep going. In relation to land clearing investigations, I understand if you may not be able to answer all of this now. Would you be able to give information to the Committee on the number of land clearing investigations that have been launched in the past financial year, the number of land clearing prosecutions and the outcome of those prosecutions, and the number of investigations or other activity that has since been dropped as the result of the Government's amnesty on land clearing?

**Ms LEVY:** I can answer some of those questions for you in terms of launched in the past year. I can tell you how many current investigations are afoot. Because it is a little complicated with the previous laws, so I can tell you the number of investigations that are under previous Native Vegetation Act matters and those that are currently under investigation under the Local Land Services Act. There are currently 10 active prosecutions afoot under the Native Vegetation Act and there are 156 potential incidents under investigation across the Native Vegetation Act. In 2018 and 2019 some 150 matters were dealt with by the department.

**The Hon. PENNY SHARPE:** You will be able to provide to the Committee with information about what happened with those?

**Ms LEVY:** We can provide that information, yes. Under the Local Land Services Act there are 195 investigations afoot at the moment under the current regime. In 2018-19 there were 136 compliance actions as a result of the investigations that were undertaken in 2018-19. There have been five prosecutions since the commencement of the Local Land Services Act.

**Mr FLEMING:** Five prosecutions this year, 2019.

**The Hon. PENNY SHARPE:** Will you be able to provide the Committee the outcome of those?

**Ms LEVY:** We can certainly provide you with the outcome of the completed prosecutions. Obviously there are 10 afoot at the moment.



**ANSWER:**

I am advised:

In 2018/19, the Department received 517 reports of land clearing. The reports related to the Local Land Services Act 2013 and the former Native Vegetation Act 2003. All reports are investigated. An additional 141 matters are under investigation on the basis of satellite monitoring detections.

In 2018/19, the Department commenced 13 prosecutions for alleged clearing of native vegetation and completed five prosecutions for clearing of native vegetation. This resulted in five convictions with fines totalling over \$1.2 million.

Under the new policy for resolving Native Vegetation Act investigations, cases continue to be assessed, prioritised and actioned in accordance with the Department's compliance policy.

**The Hon. MARK PEARSON:** What data does the National Parks and Wildlife Service keep on the activity reports and returns submitted by landholders with non-commercial kangaroo licences?

**Mr QUIRK:** I might have to take the absolute detail on notice but all of those returns are kept and an annual record is tallied. The returns are kept and recorded and they are analysed against the figures. The history of that would show that the actual take that is reported to us is far less than the number of tags that are issued.

**ANSWER:**

I am advised:

The National Parks and Wildlife Service keeps information submitted by landholders on:

- the species and number of kangaroos harmed under their licence
- the details of the people who harmed them, including their name and:
  - firearms licence number (for shooters); or
  - drivers licence number (for people who harmed by an authorised method not involving firearms).

**The Hon. MARK PEARSON:** But no tags are issued now for non-commercial—

**Mr QUIRK:** Since the drought a decision was made not to require landowners to obtain tags. Yes, you are correct, tags are no longer issued.

**The Hon. MARK PEARSON:** How does one collate data if no tags are issued?

**Mr QUIRK:** There is a requirement under the current licences for landholders to let us know the number of animals that have been shot against their licence numbers.

**The Hon. MARK PEARSON:** By an email or a phone call?

**Mr QUIRK:** That is correct.

**Mr FLEMING:** The other big data is the population estimates that are carried out regularly, which give us confidence with what is happening with the population.

**The Hon. MARK PEARSON:** Confidence?

**Mr FLEMING:** Yes.

**The Hon. MARK PEARSON:** How much? How confident are you?

**Mr FLEMING:** I am advised that it has been going for 25 years and that we have responsible confidence in those numbers.

**The Hon. MARK PEARSON:** Some management zones such as the Tibooburra, where there were no quotas this year because of not enough kangaroos for commercial activities, yet non-commercial licences were still issued in the area. There are several such areas where people have reported to me that there have not been

enough kangaroos to be able to meet the quota for commercial killing yet still licences have been issued for non-commercial killing. Is that wise when we are looking at a protected wild animal?

**Mr QUIRK:** I think what you will find in that situation is that the commercial industry—there are two questions—need a fairly large population to justify establishing and operating whereas the smaller scale non-commercial licences that are issued are to private owners who often deal with kangaroos even around their homestead. If you go out to the Western Division around Tibooburra—and I was there this year—it is so dry. There is very little impact on grazing activity because there is nothing to graze on. People have been issued licences just to keep them out of their house precincts because they are coming in to any moisture and any greenery that is around. I think there is still a need for non-commercial licences even in those areas where the commercial industry is not operating.

**The Hon. MARK PEARSON:** Are you aware of the two major kangaroo export meat companies, particularly for human consumption: Macro Meats and V.I.P.? About three years ago they decided to tell shooters to only kill male kangaroos. Has the department analysed the potential impact on the mob integrity and genetic diversity of kangaroo mobs as a consequences of that decision?

**Ms LEVY:** I am not aware of that. I will ask my colleagues.

**Ms MOLLOY:** No, I am not aware of that. We would like to take that on notice.

**ANSWER:**

I am advised:

The commercial kangaroo harvesting industry relaxed its male-only policy last year. Studies on kangaroo population dynamics are led by the Department of Primary Industries, part of the Department of Planning, Industry and Environment (DPIE), with input from universities. These feed back into the Commercial Kangaroo Management Program, administered by the Environment, Energy and Science Group (EES), also part of DPIE. The Commercial Kangaroo Management Program operates in line with the publicly available *Commercial Kangaroo Harvest Management Plan 2017–21*, which details how DPIE EES assesses population dynamics, including gender considerations, through its administration of the program.

**The Hon. MARK PEARSON:** You are not aware of any decision of the department to analyse what could be the impact of such a decision?

**Ms LEVY:** I was not aware of the decision at all, let alone to analyse it.

**Ms MOLLOY:** I am not aware.

**Ms LEVY:** We will take on notice if anyone in the department is aware of it and what has been done? To the best of my knowledge we are not aware of that decision.

**The Hon. MARK PEARSON:** Are you aware that that decision actually caused a lot of landowners to say that they do not want commercial shooters on their property because they want female and male kangaroos killed?

**Ms LEVY:** We are not aware that this decision was taken so we cannot comment.

**The Hon. MARK PEARSON:** Would be concerned at all with your knowledge that such a commercial decision has been made to kill male animals only when you are there to protect the integrity of our wildlife? It is clear from the science, and you do not have to dig very deep, that if you remove one sex, predominantly another sex is the main number in that mob, group or herd and then serious consequences occur for the integrity of the mob and the genetic pool?

**Ms LEVY:** We will take that question on notice and provide you with a response. But as I noted this morning, there is a quota on the total number of kangaroos that can be culled either through a commercial or non-commercial uses—15 per cent. Previous years show that we are only just over 10 per cent, so we are still only talking a proportion of the kangaroo population. I will certainly take your comments and look into that matter. We were not aware it.

**ANSWER:**

I am advised:

The commercial program issues a quota of 15 per cent population size for grey kangaroos (eastern and western) and wallaroos and 17 per cent for red kangaroos. The Commercial Kangaroo Harvest Management Plan provides more information. DPIE EES is not familiar with any research on kangaroo populations that show effects of gender-biased harvest regimes.

**The Hon. MARK PEARSON:** The minimum weight requirement in the commercial kill industry is 13 kilograms, I believe. Are you aware of that?

**Ms LEVY:** I am not personally.

**Ms MOLLOY:** I am not aware of that. I will have to take that on notice.

**ANSWER:**

I am advised:

The licence conditions for a commercial harvester state:

The licensee must not sell a kangaroo carcass that weighs less than:

- (a) 14 kilograms, from which the heart liver, lungs, tail, forearms (below elbow) and feet (below tarsals/fibula joint) have been removed; or
- (b) 15 kilograms, to which any of the above listed body parts are still attached when weighed at the point of delivery to registered premises.

**The Hon. MARK PEARSON:** Assume that it is 13 kilograms. Recently application has been made by the industry to decrease the minimum weight requirement for kangaroos for commercial processing. If the claim is that we are over-run with kangaroos, they are in plague proportions et cetera, why would the commercial industry apply to be able to kill more light weight kangaroos for the industry?

**The Hon. NIALL BLAIR:** Point of order—

**Ms LEVY:** We are not aware of this change in weight limit.

**The Hon. NIALL BLAIR:** Government officials cannot comment on a decision or the motivations of a commercial industry.

**The Hon. MARK PEARSON:** To the point of order: This is the authority which gives the yay or nay, tick or cross as to what commercial industries can do with wildlife—is that correct?

**The Hon. NIALL BLAIR:** Further to the point of order: That is fine. If you ask the question as to whether they would approve it then that may be in order, but asking them what is the motivation or the decision-making process—

**The CHAIR:** I caution the member to ensure that questions to government officers do not ask for their opinion on any policy. We cannot ask the officers their opinion or views.

**The Hon. MARK PEARSON:** I was not asking for an opinion.

**The CHAIR:** Reframe the question.

**The Hon. MARK PEARSON:** Is the department concerned, if that is the case, when its purpose is to protect these animals? Are you concerned if a commercial industry is applying to reduce the weight of the kangaroos it can kill, for obvious reasons?

**Ms LEVY:** I am not aware of that request, so I cannot comment on either its motivation or if it had put forward any evidence to support that. I will have to take that matter on notice.

**ANSWER:**

I am advised:

DPIE EES is aware of a proposal by the Kangaroo Management Taskforce, a collaborative group of industry, community and government, to reduce minimum carcass weights. Any decision to reduce carcass weights would only be made following an assessment into the potential impact on population.

**The Hon. MARK PEARSON:** Given that kangaroo slaughter occurs at night and in isolated rural areas it is difficult to police any breaches. It is actually difficult to monitor and regulate what is actually happening out there on the field. Do you agree with that? If a shooter goes out by himself or with a mate at night, compared to other areas which the National Parks and Wildlife Service can monitor. Would you agree that this must be a difficult area to monitor the number of animals being killed and the way they are being killed?

**Ms LEVY:** I would say that our compliance activities across the whole spectrum of the portfolio I deal with are complex and difficult. None of them are unnecessarily easy. I would acknowledge that many activities are difficult. As I said this morning, we work on the presumption that most of the citizens of New South Wales will do the right thing with the licences and permissions that are provided to them.

**The Hon. MARK PEARSON:** Do you think it would be helpful to maybe have a device attached to the rifle which actually records—

**The Hon. NIALL BLAIR:** Do you think? Do you want me to do a point of order or do you want to rephrase the question?

**The CHAIR:** Please rephrase the question.

**The Hon. MARK PEARSON:** If there could be an assurance given to the community that in the killing of these animals that it was recorded—a camera or a device was placed on the actual rifle that records the actual killing of the animal and the way it is killed—would your department find that helpful in being able to assess this concern as to the welfare and the humaneness of the killing of kangaroos for the commercial or otherwise industry?

**Ms LEVY:** We would have to look into that matter. If there was a proposal put forward to us to consider a technology solution to an issue that we are dealing with we would take it on its merits. We would assess the pros and cons and the issues around it and take it on its merits.

**The CHAIR:** Thank you. Mr Fleming, why is it necessary to alter legislation for what the Government has announced recently, or what the Minister has announced recently, as fenced-off wildlife sanctuaries in national parks? I understand that there is new legislation to be proposed that will, I think in the words of the Minister, potentially create a new status of national parks. Could you explain to the Committee what that means?

**Mr FLEMING:** I think it is still a matter for the Government to consider that. What we are considering at the moment is what advantages can be offered by such legislation.

**The CHAIR:** I understand it is a decision for government. But as you would be advising government, I understand, what changes would be needed? What is not there already? There is a fence; what else is there?

**Mr FLEMING:** As you will know, there are three rewilding projects underway across the State. So it is obviously possible to undertake these projects without additional legislation. So the question is: What more can be offered in terms of protection either for the infrastructure that is required or for the processes that enable the reintroduction of some of these animals—some of which are extinct in New South Wales? It is really all about looking at what advantages, what we can do to help progress some of these projects more rapidly and provide greater long-term protection for the projects—both the infrastructure and the species.

**The CHAIR:** Is there anything in relation to looking at these wildlife sanctuaries—is that your term?

**Ms LEVY:** Rewilding zones.

**The CHAIR:** The rewilding zones for commercial gain, such as in the future entrance fees. Anything else?

**Mr FLEMING:** That has not been part of the discussion that I have been involved in.

**The CHAIR:** I think it was a couple of weeks ago the Minister was in *The Sydney Morning Herald* with this story. There were discussions of a park near Sydney such as Royal or Ku-ring-gai Chase National Park being considered to be fenced off? Could you expand on what area that would be?

**Mr FLEMING:** I read the references to those two parks in the article. I think they were just examples that the Minister had offered as possible locations.

**The CHAIR:** Has there been any discussions or requests for advice from you regarding fencing off particular areas of national parks and providing fees for entry into those fenced-off areas?

**Mr FLEMING:** There have been no discussion around fees and rewilding. I have not been involved in any discussions around fees in relation to rewilding arrangements. I am not aware of any.

**The CHAIR:** That is what you are saying when you are saying fenced-off areas?

**Ms LEVY:** Fenced-off areas we refer to as "rewilding".

**The CHAIR:** Is there any more money being spent on threatened species programs over the next 12 months compared to the last 12 months?

**Ms LEVY:** If you bear with me, we can give you that figure.

**The CHAIR:** Is there an increase?

**Ms LEVY:** This year the funding allocation is \$20 million. The whole program is \$100 million over five years. So there is a little bit of a ramp up. It is there or thereabouts; it goes up and down a little bit each year. Last year was \$24 million. This year it is \$20 million.

**The CHAIR:** How much is being spent on the rewilding programs?

**Ms MOLLOY:** Some \$41.3 million.

**Ms LEVY:** On the three rewilding programs that we currently have in place.

**Mr FLEMING:** Over 10 years.

**The CHAIR:** Over 10 years. So what is the bill for the next year in terms of expenditure?

**Ms LEVY:** That was what is spent already and the future period. I have not got the profile in front of me, but it was 10 years.

**The CHAIR:** Ms Levy, you have mentioned before that 400 species are being protected or invested in within the Saving our Species program. Is that correct—400 of the species that are listed as threatened?

**Ms LEVY:** As threatened species. That is correct—and ecological communities.

**The CHAIR:** Yes. So what happens to the other 625?

**Ms LEVY:** Obviously there is a lot of work to be done. We have taken a scientific, rigorous approach to identifying the prioritisation of species. That has informed the decision for the 400 species.

**The CHAIR:** That is \$20 million this year for those 400 species?

**Ms LEVY:** Up to date, we are investing in 400 species across the program that we have spent to date. But it also important to remember that there is investment in many other ways in threatened species across the State. Around 85 per cent of threatened species are found within national parks, which obviously has a very significant investment in it, and the additional \$41.3 million that is invested in our rewilding programs. There are other investments in threatened species through our Koala Strategy. So the Saving our Species program is only one funding source that we talk about for species. There are many other ways that we invest in them.

**The CHAIR:** I wanted to touch on the carbon sequestration planting project that the National Parks and Wildlife Service [NPWS] is undertaking. Just a quick question about a branch in relation to the former Office of Environment and Heritage. Is there something still called a climate and resource efficiency policy branch? Or was that in the old OEH?

**Ms LEVY:** There are certainly some changes. Dr Wilson heads up our Climate Change and Sustainability area within Environment.

**The CHAIR:** What was resource efficiency?

**Ms DUMAZEL:** That was the policy unit and that has been renamed Climate Change and Sustainability.

**The CHAIR:** So it was "climate" as in climate and resource efficiency policy branch? So the "resource efficiency" bit, in particular, was that in relation to being more efficient with natural resources?

**Ms DUMAZEL:** It was in relation to the Government Resource Efficiency Policy that we have.

**The CHAIR:** Wow—resource efficiency. Was it energy efficiency or is it your efficiency dividend efficiency?

**Ms LEVY:** It was not financial.

**Ms DUMAZEL:** It is not financial and it cuts across electricity, water use.

**Ms LEVY:** We have restructured our policy division slightly too. We have not lost any functions but they have been grouped in different ways. We now have our land use management in a different area to our water resource management. Energy and climate change are still together. They are slightly restructured but all of the functions still sit there. We have not lost any.

**The CHAIR:** So where did the idea come from for the National Parks and Wildlife Service to apply to the Emissions Reduction Fund for carbon sequestration in national parks? What was the genesis of that idea?

**Mr QUIRK:** If I can talk to that. The genesis of that was really from the parks service. We have been involved in a program, really started probably a decade ago, of identifying park areas that had not regenerated. Over the years we have been acquiring increasingly, as we move from growing the reserve system from public land and started acquiring private lands. We have often had to buy properties with large areas that are disturbed. We have been looking at how to restore those areas. It first started with an approach from coal companies seeking carbon trading rights probably 10 to 12 years ago.

So we have had a series of maps in place which identified areas where we thought tree planting would help environmental restoration. They are generally areas that are so degraded we are not seeing quality tree growth occurring. The Federal Government introduced the RED scheme. In fact, we were initially approached over the One Million Trees Program. Community groups approached us and asked if they could work with us in partnership to plant trees on our cleared lands as a way of restoring parkland but also as part of the Government's Federal program. So we partnered with two agencies.

**The CHAIR:** Could you just include in there in relation to environmental impact assessments [EIAs] or what types of assessments were undertaken before this tree planting?

**Mr QUIRK:** We originally signed up with two community driven programs and we then sought money from the Climate Change Fund to invest in the Commonwealth funded program. We got money for 18 sites out of the Climate Change Fund. All of our tree planting programs must be preceded by a review of environmental factors under part 5. We are a part 5 authority and we do EIA under that process. The sites were chosen carefully, environmental assessments were done and decisions made about appropriate trees to plant and the density at which they are planted. There is ongoing management plans for how they are to be managed over the next five to 20 years.

**The CHAIR:** The \$27 million that it suggests this carbon offsetting in national parks is estimated to generate in 30 national parks over the next decade—although I note there is a briefing note that there is a potential \$2 billion opportunity—is that coming into the National Parks and Wildlife Services budget in addition to its existing budget and adding to things overall or is it replacing budget cuts?

**Mr QUIRK:** I wish it was. I think there must be something in those figures.

**The CHAIR:** The \$2 billion was hypothetical but it is \$27 million in front of me.

**The Hon. NIALL BLAIR:** There is a big difference.

**Mr QUIRK:** Which is over 20 years.

**The CHAIR:** It is in the document?

**Mr QUIRK:** That is over the 20 years of the RET certificates that were purchased and the money back from the RET certificates is to go back into the maintenance of those locations. One of the features of the National

Parks and Wildlife Act in New South Wales is we keep all our revenue. So that money is on top. It is essentially what we can put back into restoration in those locations.

**Ms LEVY:** I can advise that \$2.35 million has been expended to date on the program.

**The Hon. ADAM SEARLE:** Ms Levy, in *Budget Paper No. 3* for this year there is an entry at page 4-3 about spending money to support low income households on various energy rebates and a number of the rebates are mentioned there. I am happy for you to take this on notice if you do not have the figures. Can you tell us whether each of those rebates have been increased in this year's budget and by how much?

**Ms LEVY:** I do have some figures in front of me if you are happy for me to have a look through that across the rebates. Otherwise there is a number of them and we could take it on notice.

**The Hon. ADAM SEARLE:** I am happy for you to take that on notice. I am after the information. In relation to the program do you have an estimate of how many households will be assisted in the current financial year?

**Ms LEVY:** If we are going to have Energy we will have to swap.

**The CHAIR:** We have Energy questions. We are stopping the clock.

**Ms LEVY:** In broad we can give you the breakdown but there is \$324.5 million allocated towards six energy rebate programs. There are numbers for households against each of those programs. The Low Income Household Rebate was between July and December 2018. There was 833,000 householders who received that rebate. In 2018-19 an additional 22,700 households received the family energy rebate. That was more than in 2017-18. We certainly have the figures.

**The Hon. ADAM SEARLE:** I am happy for you to provide the information on notice. In last year's budget paper there was a global figure for low income households getting rebates for both energy and water, it was not disaggregated. Could I have the disaggregated figures for energy?

**Ms LEVY:** We can give you the figures for energy, yes.

**ANSWER:**

I am advised:

- There has been no increase in the value of the rebates for the Low Income Household Rebate, Family Energy Rebate, Gas Rebate, Life Support Rebate, Medical Energy Rebate or Energy Accounts Payment Assistance Scheme in the 2019-20 budget.
- Data on the number of households receiving rebates between July 2018 and December 2018 is publicly available in the July to December 2018 report at [www.energy.nsw.gov.au/government-and-regulation/legislative-and-regulatory-requirements/social-programs-energy-code](http://www.energy.nsw.gov.au/government-and-regulation/legislative-and-regulatory-requirements/social-programs-energy-code). Full year rebate data for 2018-19 continues to be processed and will be published once available. For EAPA, approximately 55,900 households received EAPA support in 2018-19.
- The disaggregated budget allocations for the energy rebates and EAPA in the 2018-19 and 2019-20 budgets are as follows:

Energy Social Program Name	Budget allocation 2018-19	Budget allocation 2019-20
Low Income Household Rebate	\$239,222,000	\$239,222,000
NSW Gas Rebate	\$29,060,000	\$29,060,000
Family Energy Rebate	\$8,618,000	\$8,618,000
Life Support Rebate	\$12,577,000	\$12,577,000
Medical Energy Rebate	\$3,000,000	\$3,000,000
Seniors Energy Rebate	<i>n/a – commenced in 2019-20</i>	\$10,400,000
Energy Accounts Payment Assistance (EAPA) Scheme	\$19,837,000	\$19,837,000

**The Hon. ADAM SEARLE:** Also in this year's budget paper at the bottom of the page 4-3 it talks about the emerging energy program and it says it is \$12.5 million this year and \$30 million over the four years. I am pretty sure that when the program was announced the figure attached to it in the former Minister's press release was \$55 million. Can you indicate whether the scope of the program has been changed?

**Mr HAY:** The scope of the program for emerging energy was changed. There is \$55 million coming from the Climate Change Fund, there was a \$20 million election commitment, so it is \$75 million.

**The Hon. ADAM SEARLE:** This amount here, the \$12.5 million, is that from the Climate Change Fund as well or is this from consolidated revenue?

**Mr HAY:** The phasing starts, as I understand it, from the Climate Change Fund over the period of this.

**The Hon. ADAM SEARLE:** In relation to most of the energy initiatives listed on that page are they mostly sourced from the Climate Change Fund?

**Mr HAY:** I would have to refer to the page.

**The Hon. ADAM SEARLE:** The second dot point talks about climate change adaptation, I assume that is from the Climate Change Fund. What about the Regional Community Energy Fund, where is that money coming from?



**Ms LEVY:** That is also from the Climate Change Fund.

**The Hon. ADAM SEARLE:** Perhaps I could ask this simpler question: Are any of the Government's energy initiatives being funded out of sources of revenue other than the Climate Change Fund?

**Mr HAY:** The rebates are funded from the consolidated fund.

**The Hon. ADAM SEARLE:** All of them?

**Mr HAY:** Yes, the \$324.5 million that Ms Levy referred to.

**The Hon. ADAM SEARLE:** Going back a year or so I am pretty sure the Government increased the rebates and there was some suggestion that the increase came from the Climate Change Fund?

**Mr HAY:** It did not. There was a 20 per cent increase in 2017 that came from the consolidated fund.

**The Hon. ADAM SEARLE:** What is the quantum of increase for the current financial year?

**Mr HAY:** There is no increase contemplated other than for the natural change in the people who have taken up the rebate.

**The Hon. ADAM SEARLE:** The dollar rate for this current financial year is the same as the dollar rate for the 2018-19 financial year?

**Mr HAY:** There is anticipated higher uptake of some of the rebates but the rate per eligible party has not changed.

**The Hon. ADAM SEARLE:** I noticed recently in Parliament the Minister said that 900,000 people were entitled to those rebates but only two-thirds of them had taken that up. Is that correct?

**Mr HAY:** It varies on each rebate.

**The Hon. ADAM SEARLE:** What plans, if any, does Government have to ensure that every household that is eligible is aware of and accesses this? I know it is not a new issue. Being eligible is one thing but if people for various reasons cannot access it or are not aware of it they do not get the benefit.

**Ms LEVY:** I might ask Dr Wilson to add to that in a minute. We have been working with Service NSW to make sure that householders are informed through Service NSW. There were emails and information was sent out as part of the affordability programs for all citizens. There was a significant increase in communications with citizens and a resulting increase in the uptake across a number of our schemes as a result of that.

**The Hon. CATHERINE CUSACK:** Hear, hear!

**The Hon. ADAM SEARLE:** In relation to the Climate Change Fund the most recent report indicates that \$292 million was raised but only \$180 million was actually spent. I am not querying or criticising. Do you have an explanation for why all the money raised was not allocated? Can you tell us what the figures are for the 2018-19 financial year and what they are predicted to be for 2019-20?

**Ms LEVY:** I might ask Ms Dumazel in a moment to talk about the expenditure for the previous year. The revenue for 2017-18 was \$333 million and the expenditure as you note was \$180 million. I have just quoted from 2017-18, I apologise.

**The Hon. ADAM SEARLE:** That is okay.

**Ms LEVY:** The 2018-19 revenue was \$289 million and the expenditure in 2018-19 was \$248 million. The expected expenditure this year is \$345 million against a revenue of \$277 million. There was a carry forward of funds from the previous financial years into this one. Overall the \$1.4 billion will be expended across the five years and there has been a ramp-up.

**The Hon. ADAM SEARLE:** Page 17 of the 2017-18 Climate Change Fund annual report indicates that \$9 million was spent on supporting the Australian Energy Market Operator's budget. That seems to me to be a core government-to-government function. Is that appropriately allocated out of the Climate Change Fund? Should not that come out of general government revenue?

**Ms LEVY:** I cannot talk to the appropriateness of this. It is a decision taken by Government as part of the Cabinet decision of how the Climate Change Fund was expended.

**The Hon. ADAM SEARLE:** Okay, can you just talk us through the process by which decisions are made pre-Cabinet? Presumably within the department there is a process where advice is provided about how the money could be allocated?

**Ms LEVY:** We talked about this earlier, about a business case—I would have to refer to Ms Dumazel or Dr Wilson in relation to whether this one was part of that business case process.

**Ms DUMAZEL:** That was part of a previous decision. The decisions from 2017 and 2018 resulted in the development of a number of programs. I will just run you through those because it might help in terms of the decision-making over the past couple of years. There are a number of energy efficiency programs: programs for energy-saving upgrades for social housing clients and discounts to replace inefficient fridges; a program to discount on high efficiency fixed appliances; a program around discounts for small businesses to upgrade to energy-saving equipment; training for small businesses to save energy and money—we had \$82 million as part of that and that package was announced in 2018; more efficient homes for low-income tenants; energy-saving for energy intensive manufacturers; more efficient street lighting; appliance standards; and improving energy-efficient standards for buildings and infrastructure.

Then clean energy programs were the other part that was approved last year. We have the smart energy storage for key government buildings; the towards the emerging generation fund; community energy projects—there was \$30 million towards that; and \$15 million towards rooftop solar systems for eligible low-income households. I thought it would be useful to run through some of those energy efficiency programs in terms of delivering reliable, clean and affordable energy. The other part was around increasing resilience to climate change. The program that was funded and announced last year was for grant funding to help households, businesses and councils reduce their exposure to natural hazards and climate risks, as well as funding for our climate projection modelling.

**The Hon. ADAM SEARLE:** What exactly is that money being spent on?

**Ms DUMAZEL:** Which money?

**The Hon. ADAM SEARLE:** The one you just mentioned—the climate change adaptation. I think you used the term "resilience".

**Ms DUMAZEL:** In terms of the package last year, it was the grant funding but also in terms of the—

**The Hon. ADAM SEARLE:** Just pausing there, I would like to understand it in a real-world setting. Suppose someone has bid for a grant and they get the grant. Under the terms of that program what is it going to be spent on, in tangible terms?

**Dr WILSON:** There is a program that is giving grants that local councils can bid in. We have completed one round and there will be another round available for communities.

**The Hon. ADAM SEARLE:** Just on the round that has been done, what are they spending it on?

**Dr WILSON:** I am afraid I cannot give you the complete list but as an example, one of the grants went to the Western Sydney Regional Organisation of Councils, which is developing approaches for cool suburbs—so approaches to reduce the burden of urban heat in the suburbs and get that information.

**The Hon. ADAM SEARLE:** Yes, but what is the money actually being spent on?

**Dr WILSON:** There are a whole range of different projects. I can take it on notice to give you the list of grants that are publicly available.

**ANSWER:**

I am advised:

Information about the Increasing Resilience to Climate Change grants can be found at [www.lgnsw.org.au/policy/increasing-resilience-climate-change](http://www.lgnsw.org.au/policy/increasing-resilience-climate-change)

A link to a list of approved grants can be found at the bottom of that page or directly at [www.lgnsw.org.au/files/imce-uploads/122/Summary%20IRCC\\_Round\\_1.pdf](http://www.lgnsw.org.au/files/imce-uploads/122/Summary%20IRCC_Round_1.pdf).

**The Hon. ADAM SEARLE:** Please do. Again, I am happy for you to take this on notice because there is a bit of shopping list of things. In relation to the spending on the Australian Energy Market Operator budget,

how much came out of the Climate Change Fund in 2018-19 for that and how much is proposed to be spent in 2019-20? Using those same time frames, I see that the Government has spent over \$32 million from the Climate Change Fund on managing the NSW National Parks and Wildlife Service Estate. That is very important work but again, I query whether it should come out of that fund. How much was spent on that program for 2018-19 and how much is proposed to be spent in the current financial year?

**Ms LEVY:** The national energy regulation contribution in 2018-19 was \$12.1 million.

**The Hon. ADAM SEARLE:** And for the next year, the current financial year in this budget?

**The Hon. NIALL BLAIR:** Are you enjoying this part?

**The Hon. MARK LATHAM:** It is a concession to the Treasurer—he had to get something out of this wretched fund. At least they can pay the AEMO bill.

**The Hon. ADAM SEARLE:** I am happy for you to take it on notice.

**Ms LEVY:** No, I have that. For 2019-20 it is \$11.6 million.

**The Hon. ADAM SEARLE:** Okay, and in relation to managing the NSW National Parks and Wildlife Service Estate—the \$32 million that was in the 2017-18 annual report. How much was spent in 2018-19 and how much do you propose to spend in the current financial year on that line item from the fund?

**Ms LEVY:** I might have to take that one notice.

**ANSWER:**

I am advised:

In 2017-18 the total operational expenditure from Climate Change Fund funding was \$32.9 million. In 2018-19 the figure was \$32.9 million and in 2019-20 there is \$33.6 million proposed to be spent.

**The Hon. ADAM SEARLE:** That is okay. Bushfire management—I live in the Blue Mountains so I understand how important bushfire management is—how much was spent in 2018-19 and how much do you propose to spend in the current financial year?

**Ms LEVY:** I do not have that broken down.

**Ms DUMAZEL:** We have a component of it so we will take that one on notice.

**ANSWER:**

I am advised:

In 2018-19 there was a total operating expenditure (including salaries) on bushfire management of \$14.2 million from the Climate Change Fund. In 2019-20, there is \$14.3 million proposed to be spent from the Climate Change Fund.

**The Hon. ADAM SEARLE:** Mr Cleland, just returning to Essential Energy for a moment. Having had a look at the past three years' annual reports, I note that as you have been reducing the overall workforce, the spending on the senior management team, as a proportion of your wages bill—your employee-related expenditure—seems to have increased from about 7.3 per cent in 2015 to about 11 per cent at the time of the last annual report in 2017-18. The number of senior managers has increased by about 13 or 14 officers—about 10 per cent, I guess—over the past two years. Can you tell us what has happened with the number of senior executive service level senior managers? Have they increased or decreased in the past 12 months and what do you propose over the next 12 months?

**Mr CLELAND:** I am just referring to the numbers. There has been a small increase over the past 12 months but the numbers have generally fluctuated over time and remained relatively constant.

**The Hon. ADAM SEARLE:** When you say "small number", are we talking another 10, 12?

**Mr CLELAND:** No, there was an increase of 14 and with the current round of reductions—most managers are on contracts and so contract terminations are not deemed redundancies—

**The Hon. ADAM SEARLE:** Sure.

**Mr CLELAND:** —there will be a net reduction of nine, which will bring us back to a level very similar to what existed previously. In relation to the costs of senior management, the annual report indicates 11 per cent of the overall total.

**The Hon. ADAM SEARLE:** What happened for 2018-19?

**Mr CLELAND:** That amount is—I will not say it is misstated, but there was some allocation errors in there. When they are adjusted out—specifically redundancies as senior managers were made redundant through the course of the year, were included in the cost and also some contract staff who were not actually senior leaders—the rates did sit relatively constant at 7.7 per cent.

**The Hon. ADAM SEARLE:** Okay and that will that be adjusted in the next annual report?

**Mr CLELAND:** Yes, it will be corrected in the next annual report.

**The Hon. ADAM SEARLE:** The gender pay gap has been discussed at a number of the estimates that I have attended in relation to a mapping of the workforce. The *State of the NSW Public Sector Report* indicated that there was an increase in the gender pay gap across the sector from an average of \$252 to nearly \$1,000. Was your organisation part of that survey? And what is a gender pay gap in your workforce?

**Mr CLELAND:** I will have to take both those questions on notice.

**ANSWER:**

I am advised:

Essential Energy participates each year in the Workforce Profile report – this is used as input to the State of the NSW Public Sector Report.

The most recent State of the NSW Public Sector Report 2018 which was referenced by the Hon. Adam Searle, reported a gender pay gap of \$949. Using the equivalent year, Essential Energy reported an annual pay gap of \$5,063. This pay gap has since reduced 36 per cent for the 2019 financial year to \$3,265.

The main factors that account for this difference, are that female staff are predominantly employed in support roles, whereas the majority of male staff are employed as electrical workers and these roles are paid an additional electrical safety rules allowance of \$120 per week.

**The Hon. ADAM SEARLE:** I have noticed in the past, with the Public Service Commission, which conducts the People Matter Survey, that in previous years Essential Energy and its workforce participated but I have not seen more up-to-date participation for a number of years on the website. Do you no longer participate?

**Mr CLELAND:** That is correct, we no longer participate. We now use the Gallup survey, which is far more relevant to a company such as Essential Energy, which operates in a competitive market environment.

**The Hon. ADAM SEARLE:** Okay, I might come back to you on those reports.

**Mr CLELAND:** Sure.

**Ms LEVY:** Madame Chair, I can give one quick answer to Mr Searle. In relation to the Climate Change Fund expenditure on the Enhanced Bushfire Management Program, this year it is \$15.7 million.

**The Hon. MARK BUTTIGIEG:** Mr Cleland, could you outline to the committee what Essential Energy's attitude is to the contestable market, as opposed to the regulated market that is funded by the Australian Energy Regulator?

**Mr CLELAND:** Sure. I will not answer that in terms of attitude, I will answer with objective information.

**The Hon. MARK BUTTIGIEG:** Can I rephrase that? My understanding is that your peers in the industry—Ausgrid and Endeavour Energy, for example—are actively engaged in those contestable markets because, let's face it, your funding envelope is, determination period on determination period, ever more restrictive. Therefore, in order to grow the business and presumably to try to save as many jobs to align with government policy, you would not want to go into those contestable markets to grow the business and my understanding is you are not—is that correct?

**Mr CLELAND:** That is indeed correct, Mr Buttigieg. We are not in the contestable market and we have no immediate plans to enter the contestable market. Clearly, as part of the work we are doing in response to the announced intention, that will be a consideration that we will look at. When we have extensively reviewed the opportunities in the contestable market previously what we have identified is that the market within our network footprint is not huge, it is very well serviced—that is, it is a highly competitive market and the margins in it or achieved by those participating in it are not significant. So a lot of the businesses participating in that market are not necessarily profitable businesses. For us, as a State-owned corporation, to enter into a new line of business we would need to ensure that was commercially viable and likely to generate an acceptable rate of return.

I would also note that, when fencing guidelines apply to regulated energy distribution businesses under the Australian Energy Regulator's regulation, they stipulate that we would have to set up a separately branded and operated and ring-fenced business to enter that market. So there is additional cost and complexity in that, including the complexity of moving individuals from one organisation to another. The last point I would make in relation to that is that, as I said at the outset, the contestable market is already well serviced and highly competitive. Were Essential to enter that market, we would only gain market share at the expense of existing incumbents or existing participants in the industry or in the market. So what we would effectively be doing is displacing existing jobs in regional New South Wales within the private sector by jobs held by a ring-fenced subsidiary of Essential Energy.

**The CHAIR:** Thank you, Mr Cleland. Just before we throw to the crossbench let us get a sense from both Mr Latham and Mr Field of the areas within which they will be asking questions so we can check we have got the right—

**The Hon. MARK LATHAM:** The Natural Resources Commission [NRC].

**Mr JUSTIN FIELD:** Me too.

**Mr CLELAND:** Chair, if I may, I inadvertently provided an incorrect date in one of my previous responses. I responded to a question and I was speaking to briefings provided to the Minister's office and other stakeholders and I referenced 27 July. The date was actually 27 June. I would just like the record corrected, if I could.

**The CHAIR:** Thank you very much. Mr Latham?

**The Hon. MARK LATHAM:** Mr Wilde, did the commission ask for the operational model data for the Barwon-Darling rivers from WaterNSW prior to the development of the recent draft report?

**Mr WILDE:** The Natural Resources Commission requested all available data and modelling from the lead water agency within New South Wales, which is DPI Water, and we did not request data from WaterNSW. After the publication of our draft public report, there have since been conversations between WaterNSW and the Natural Resources Commission about modelling.

**The Hon. MARK LATHAM:** Was there a reason for not requesting it from WaterNSW?

**Mr WILDE:** The primary agency we deal with and the lead modelling agency in New South Wales is DPI Water; they are recognised to have the best available models, which have been publicly peer reviewed.

**The Hon. MARK LATHAM:** Where in the peer-reviewed technical review document does it say that water extractions pushed the river below Bourke into drought three years earlier than the upstream sections of the river?

**Mr WILDE:** There has been no publicly available model run in the Barwon-Darling pre-development since 2009. So there is an absence of model data and, in that absence, Professor Sheldon—using multiple lines of evidence—came to her hypothesis when she was being publicly reported on.

**The Hon. MARK LATHAM:** So you acknowledge it was merely a hypothesis; it was not a firm conclusion?

**Mr WILDE:** Professor Sheldon and the NRC are pretty clear it is a hypothesis and that it is a legitimate scientific inquiry to put out hypotheses. That hypothesis was also in line with six previous publicly available reports, including the Australian Academy of Science and Professor Tedeschi's inquiries into fish kills just south of the Barwon-Darling.

**The Hon. MARK LATHAM:** Can you explain how then the hypothesis ended up in the media as a conclusion and led to the dispute with the Minister?

**Mr WILDE:** No.

**The Hon. MARK LATHAM:** Are you aware that on Anzac Day in the middle of the Federal election campaign Professor Sheldon issued a YouTube video directly attacking the One Nation Federal water policy for the modified Bradfield Scheme—

**The Hon. PENNY SHARPE:** Point of order—

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

**The Hon. MARK LATHAM:** —and would this not classify the— **The**

**CHAIR:** A point of order has been taken, Mr Latham.

**The Hon. PENNY SHARPE:** This is completely outside the scope of what the Natural Resources Commission, public servants and chair are able to answer. What someone did who is involved in some other report has got nothing to do with this Committee and it is outside the scope of the terms of reference.

**The Hon. MARK LATHAM:** To the point of order: Professor Sheldon was commissioned at public expense and is being promoted as an independent analyst of these river systems and I am asking a question of the awareness of the commission about her political involvement that clearly made her much more a political activist—

**The Hon. PENNY SHARPE:** This has got nothing to do— **The Hon.**

**MARK LATHAM:** Can I finish my point of order please?

**The CHAIR:** Allow him to finish his point of order at the very least.

**The Hon. MARK LATHAM:** She was much more a political activist than an independent academic. I think the public has got the right to know the awareness of the commission about that activity.

**The CHAIR:** I have heard your point or order. I remind the member that we have government officials before us today to answer questions from members about particular matters relevant to the portfolio that they are here for, and I think asking Mr Wilde whether he knows about activities of a consultant and whether they saw what they happened to do in relation to Facebook videos or whatever is not within the scope of why they appear before these committees. So please keep your questions relevant.

**The Hon. MARK LATHAM:** Mr Wilde, when was the peer review of Professor Sheldon's work undertaken and over what period of time?

**Mr WILDE:** I will have to get back to you on the specific dates. The peer review was commissioned— I will have to come back to you on the specific dates.

**ANSWER:**

I am advised:

In addition to the response given during the course of the hearing, the Natural Resources Commission would like to clarify that the peer review was undertaken in less than 48 hours.

In reference to the correspondence, it is more appropriate that this request is made through the appropriate channels to the Minister for Water, Property and Housing.

**The Hon. MARK LATHAM:** Would you regard a period of 48 hours as quite unusually short for the academic peer review of such a body of work?

**Mr WILDE:** No. We were endeavouring to get some peer review of that work and then when we were able to find some peer reviewers to do that work they were able to do it in a prompt fashion for us. The commission, like many others, is working under tight time frames and responds accordingly.

**The Hon. MARK LATHAM:** What was the manner by which the peer reviewers were selected?

**Mr WILDE:** We were looking for those within the area who know the expertise and know of the Barwon-Darling water space—so people with eminent expertise who could authoritatively review Professor Sheldon's work.

**The Hon. MARK LATHAM:** And were they sought out for being independent of the work of Professor Sheldon?

**Mr WILDE:** Yes.

**The Hon. MARK LATHAM:** And you regarded each of those reviewers as fully independent from her work over an extended period of time?

**Mr WILDE:** We do not see that there is any conflict of interest between the peer reviewers and Professor Sheldon.

**The Hon. MARK LATHAM:** Could I just go to the question of water flows in all the river systems in New South Wales? There is an argument that the real waste is environmental flows that are flushed down the river, the river banks are dry, the creeks are dry and then three months later after the flush of water they are dry again. Is there any analysis of the volume of water that is wasted in that fashion that could have been used by farmers?

**Mr WILDE:** In relation to which area are you referring to?

**The Hon. MARK LATHAM:** Any of the river systems and your analysis of them.

**Mr WILDE:** Our report was on Barwon-Darling.

**The Hon. MARK LATHAM:** On that one or any of them.

**Mr WILDE:** What is your question please?

**The Hon. MARK LATHAM:** Is there any analysis of the volume of water under the banner of environmental flows that is sent down a river system and three months later the river system is back to the state in which it was previously and the environmental flows have no net beneficial impact to anything?

**Ms LEVY:** I can answer the question. Each year the average is approximately 800 gigalitres of water for environmental water. In 2017-18 it was 830 gigalitres. In 2018-19 it was 620 gigalitres.

**The Hon. MARK LATHAM:** What analysis is made of the environmental impact of such flows?

**Ms LEVY:** If it is okay with you, Madam Chair, I might ask Ms Molloy to come to the table.

**The CHAIR:** Feel free to table the copious amounts of evidence that there is out there in terms of the benefits of environmental flows while you are at it.

**The Hon. MARK LATHAM:** Should I be asking you the questions, Madam Chair?

**The Hon. NIALL BLAIR:** I will have a crack.

**The CHAIR:** I am just saying.

**The Hon. MARK LATHAM:** You seem to have an answer.

**The Hon. CATHERINE CUSACK:** You can ask me. I have an answer.

**Ms LEVY:** Certainly, there is work done to identify the benefits of it but Ms Molloy might be able to talk to that.

**Ms MOLLOY:** Yes, there is analysis done of the environmental flows that are sent down the rivers in collaboration with the fisheries part of our agency. There are also measurements of the water in and out of various weapons, particularly the iconic wetlands like the Macquarie Marshes and the Gwydir Wetlands. We are very cognisant of the importance of sending that water down and the value it has, particularly for the protection of refuges and pools in times of drought and also for the triggers for native fish and native fish movement. We are very cognisant of the importance of sending that water down to protect the environment.

**The Hon. MARK LATHAM:** Mr Wilde, if I can just come back to Professor Sheldon.

Was there anything in the consultant's contract about her media appearances before such time as her report was finalised and publicly available?

**Mr WILDE:** No.

**The Hon. MARK LATHAM:** Does it compromise the way in which the Government looks at such reports if someone like Professor Sheldon gives interviews in the media, as she did on 19 August, before such time as the report was publicly available? Is it helpful to pre-empt her work before it is even finalised?

**The CHAIR:** Order! I just remind the member of the previous discussion we had about keeping the questions in line with the portfolio and not in relation to Professor Sheldon. It is not relevant.

**The Hon. MARK LATHAM:** We paid for the report. It is under contract and I think it is relevant to ask. Would you consider contracts in the future that restrict media comment until such time as the report is finalised and publicly available?

**Mr WILDE:** Ms Sheldon has provided two media interviews that I am aware of. The first was on the day that our draft report was publicly released. The second was after the public report and our final report had been released.

**The Hon. MARK LATHAM:** And regarding the submission dates for public feedback to this work, how was it arrived at? What dates were used and what was the extent of public feedback?

**Mr WILDE:** We had two public calls for submissions. We received over 1,200 submissions. In our second call on the draft public report, we received 1,161 submissions. The timing for those submission windows was chosen by the NRC; however, we have had liaison with Department of Primary Industries—Water in relation to the whole timing of this project, so that it could fit into wider government decision-making feeding into the water resource plan and the accreditation process undertaken by the Murray-Darling Basin Authority.

**The Hon. MARK LATHAM:** Has the commissioner responded to the Minister's letter dated 23 August that became the topic of public controversy and dispute? If so, what has been the response?

**Mr WILDE:** Dr Keniry has responded.

**The Hon. MARK LATHAM:** Is that a public document that is available to the Committee?

**Mr WILDE:** That was a private letter from Dr Keniry to Minister Pavey.

**The Hon. MARK LATHAM:** Dr Keniry, are you able to provide the contents of such a letter or an edited response to the Committee for our benefit?

**Dr KENIRY:** Sure.

**ANSWER:**

I am advised:

It is more appropriate that this request for correspondence is made through the appropriate channels to the Minister for Water, Property and Housing.

**Mr JUSTIN FIELD:** Thank you, Dr Keniry and Mr Wilde, for being here and for your availability to my office in recent times to help me understand some of the work you do. I really do appreciate it. I would like to move onto one of the other reviews you are undertaking at the moment. I think we learnt earlier in the week—and we obtained a bit more information from the Minister this morning—that the NRC has conducted a review into the land clearing codes, the codes under the Local Land Services Act. Is that correct?

**Mr WILDE:** Yes.

**Mr JUSTIN FIELD:** When was the NRC commissioned to conduct that review?

**Mr WILDE:** That review is Cabinet-in-confidence and we have submitted our report.

**Mr JUSTIN FIELD:** So the fact that the review was conducted is Cabinet-in-confidence or just the report itself is Cabinet-in-confidence?

**The Hon. CATHERINE CUSACK:** Point of order—



**Dr KENIRY:** We had terms of reference from the Premier.

**The CHAIR:** A point of order was taken by Ms Cusack.

**The Hon. CATHERINE CUSACK:** All details of Cabinet-in-confidence documents are confidential. He is putting him on the spot.

**Mr JUSTIN FIELD:** To the point of order: I was not asking for any documents.

**The CHAIR:** I understand the point of order. It is actually a question in relation to something that the Minister referred to this morning so there is no point of order.

**Mr JUSTIN FIELD:** Only if it is possible, Mr Wilde. I am not looking to put you on the spot or trick you here. I was wondering when the NRC was commissioned, I assume you received the terms? Dr Keniry just mentioned those.

**Dr KENIRY:** I am not sure when we got them; probably three months before we finished.

**Mr WILDE:** We will come back to you on that date.

**ANSWER:**

I am advised:

This question should be referred to the Minister for Planning and Public Spaces.

**Mr JUSTIN FIELD:** Okay, but you have completed the review and a report has been provided, I assume, to Minister Stokes?

**Mr WILDE:** The terms of reference we received were from the Premier and the report is going to the respective Ministers, for the environment and agriculture, and with a copy to Mr Stokes who is now our lead Minister.

**Mr JUSTIN FIELD:** Were any public submissions sought in that review?

**Mr WILDE:** No.

**Dr KENIRY:** No. It was Cabinet-in-confidence, so we certainly dealt with other agencies—local land services and others—but there was no public knowledge that the review was being done.

**Mr JUSTIN FIELD:** Okay. Maybe, Ms Levy or Ms Molloy, this might be a question for you. This would have been conducted this year or before the election—I am not sure—but I assume that the Office of Environment and Heritage or its equivalent provided input into the review process?

**Ms LEVY:** We were aware of the review process. Ms Molloy, I am not sure if we provided input into the review process.

**Ms MOLLOY:** I think Ms Dumazel might be able to answer that.

**Ms DUMAZEL:** Yes, we provided input into the process.

**Mr JUSTIN FIELD:** Maybe the input is Cabinet-in-confidence as well. I am not sure. Are you able to elaborate at all on what sort of input was provided?

**Ms DUMAZEL:** Because we are considering the report at the moment for consideration by Government, the report considered matters in relation to the land management part of the land management and biodiversity conservation reforms.

**Mr JUSTIN FIELD:** I assume the application of the codes, and that it was looking at how much clearing had happened under the codes. Would that be fair to assume?

**Mr WILDE:** Shall I?

**Mr JUSTIN FIELD:** If anyone can, I would appreciate it.

**Mr WILDE:** If I can just add a bit of information. You asked before what was the timing of the reference. That was 14 January 2019. We submitted our report on 31 July 2019.

**Mr JUSTIN FIELD:** So relatively close to the State election a Cabinet-in-confidence review of a very controversial piece of government legislation had been ordered for review. That is not really a question. I am just making a statement about that.

**The Hon. CATHERINE CUSACK:** Just thinking out loud.

**The Hon. PENNY SHARPE:** No mention of that review in my question about land clearing, just quietly.

**The Hon. NIALL BLAIR:** It was not really that close either—well, January. March was the election.

**Mr JUSTIN FIELD:** Mr Wilde, did the NRC use internal resources to do the review or was the review work outsourced?

**Mr WILDE:** We used internal resources but we also had an external panel advise us on it. For many of our more complex reviews we have typically used independent experts to help provide greater independence and review and scrutiny of our work.

**Mr JUSTIN FIELD:** Were any stakeholders outside of government agencies invited to make submissions to the review such as the NSW Farmers Association, Cotton Australia? Any of those sorts of groups?

**Mr WILDE:** No. It was Cabinet-in-confidence. There was no consultation outside of government and the consultation within government was strictly limited.

**Dr KENIRY:** We used three experts, external people, who were signed up with confidentiality agreements, but who understood the field. The rest of the input was coming from our own people and from the agencies that we interact with.

**Mr JUSTIN FIELD:** Ms Levy, are you aware of a time line on the provision of advice that you are working at the moment to respective Ministers on when this report is likely to be responded to by the Government? **Ms LEVY:** No, I cannot comment on the time line. That is a matter for government.

**Mr JUSTIN FIELD:** Mr Wilde, I might move back to water, if we could. As I understand it, water resource plans being submitted to the MDBA are supposed to be reviewed by the NRC before they are submitted. Is that the case?

**Mr WILDE:** Under the Water Management Act, the NRC has three different responsibilities. Under section 43, our responsibility is a consultative one. When there is a water management plan not relating to water sharing due for review by the Minister, we have a consultative role to do that. Under section 43A, which is the second responsibility we have, we will review water-sharing plans upon their expiry, which is what we have been doing with Barwon-Darling. The third responsibility, which the former Minister Blair introduced through amendments recently, was giving us powers to audit water plans within five years of their commencement.

**Mr JUSTIN FIELD:** Are the water resource plans being required to be submitted to the MDBA reviewed by the NRC at all?

**Mr WILDE:** No, we have no responsibility for the water resource plans.

**Mr JUSTIN FIELD:** With regard to the water-sharing plans that you review when they are coming to expiration, how many of those are currently under review?

**Mr WILDE:** At the moment we have completed the Barwon-Darling. There are two others in draft form and five others we have called for public consultation on. All up, in the next 12 months we are reviewing 12 water-sharing plans.

**Mr JUSTIN FIELD:** Do you have the resources to do the work to review these plans? We are in the middle of a drought. Everyone knows these are highly controversial at the moment in some cases. Do you have the resources, staff and budget allocation to conduct these reviews?

**Mr WILDE:** Resourcing is always very tight across all of government. We do our best in the resources we have available.

**The Hon. NIALL BLAIR:** If you had asked everyone in the room they would say they need more. Every single one will need more.

**Dr KENIRY:** They will not always require the same amount of input as the Barwon-Darling has but we will be a bit under the pump.

**Mr JUSTIN FIELD:** I raised these issues with the water Minister last week around the fact that there has been no baseline data available since 2009. That certainly has had an impact on your ability to review and make judgements about the Barwon-Darling water-sharing plan. Is it the same across all of the water-sharing plans that the baseline data to enable you to do that work is simply not there?

**Mr WILDE:** I am not aware. That would be a question you would need to ask DPI Water. We will find out as we go through each plan's review.

**Mr JUSTIN FIELD:** You have a couple of other reviews under draft. Have you found similar challenges about accessing model runs or data to help inform those reviews?

**Mr WILDE:** We have reviewed several water-sharing plans. A common finding across all of them is that there have been data gaps in monitoring and modelling. That has been a common finding in each of our reviews.

**Mr JUSTIN FIELD:** I asked a question of the Minister this morning. I have been told that there was some comparative analysis undertaken, I think, within OEH—I am not exactly sure which area—between models that had been run by WaterNSW, or whichever appropriate body, and the actual flows at the gauges at a couple of key locations in the southern Darling. Ms Levy, would you—

**The Hon. NIALL BLAIR:** You missed this earlier, Mr Field.

**Mr JUSTIN FIELD:** Was this raised? Sorry.

**Ms LEVY:** I did raise this as coming back on questions on notice that I have been advised. But there has been no separate OEH report on modelling for the Barwon-Darling. We contributed to the work undertaken by DPI Water. But there was no specific report.

**The Hon. PENNY SHARPE:** Dr Keniry, are you able to tell the Committee which Ministers or ministerial officers you have spoken with or corresponded directly with in relation to the draft Barwon-Darling report?

**Dr KENIRY:** That I have corresponded with?

**The Hon. PENNY SHARPE:** Or spoken to?

**Dr KENIRY:** We certainly spoke before the draft came out to the water Minister and we spoke to the environment Minister. Mr Wilde, correct me, did we talk to Minister Stokes?

**Mr WILDE:** We also spoke to Minister Stokes' office, the Deputy Premier's office and the Premier's office, as well as the offices of the two Ministers that Dr Keniry has advised on already.

**The Hon. PENNY SHARPE:** I want to ask you about the remapping process in relation to old-growth forests. Obviously, there has been media about that and it has been paused. I understand that you are awaiting information from Forestry Corporation about the numbers in relation to wood supply. What information are you anticipating to come in, and in what form?

**Mr WILDE:** We have done our work and we have submitted that for the Government's consideration as it waits to get the other inputs, which is separate work from Forestry Corporation. We do not have any expectation on what the form may be.

**The Hon. PENNY SHARPE:** But do you accept that there is an issue around volume of timber and agreed facts when it comes to this issue?

**Ms LEVY:** As the Minister indicated this morning, the work that has been waited on pending the old-growth forest mapping is around timber supply. That work is being prepared by Forestry Corporation and our colleagues in the department that reports to the agriculture Minister.

**The Hon. PENNY SHARPE:** When that information comes in will that mean that your report is revisited or does your report sit as it is?

**Ms LEVY:** That is a matter for government. The Government has asked the NRC to put on hold the work that it is doing pending that review. The Government will take further advice and then decide what steps that are to be taken beyond that.

**The Hon. PENNY SHARPE:** It is possible that the NRC will not get to review the work that it has done based on the new facts in relation to timber supply?

**Ms LEVY:** The Government will have to take on board the inputs and make a decision as to what needs to happen next.

**The Hon. PENNY SHARPE:** Dr Keniry, would you expect that you would be able to review your reporting as a result of changes in the facts that are provided?

**Dr KENIRY:** Maybe I could give a little bit of background to put some perspective.

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

**Dr KENIRY:** Under the Integrated Forestry Operations Approvals the Government had two clear requirements: one was no loss of timber supply and no going backwards on environmental outcomes. One of the issues was with the additional protections. When we did the work on future timber supply we said there may be some reduction in timber availability. That led to the first instance of looking at remapping some old-growth forest.

**The Hon. PENNY SHARPE:** Was the remapping as a result of possible deficiencies in not having enough reduction in supply?

**Dr KENIRY:** It came out of the deliberations. In relation to the IFOA, if there was likely to be a reduction then where would we get that timber from? So that started the process of looking at possibly remapping old growth. That work was done and reported to the Government as pilot trials. Then we got a term of reference that said, "If you are looking within the IFOA itself, then look at remapping some old growth and, before we do that, don't just pick up the methodology we used the first time. Go and see and make sure that we are not losing valuable—even if it is not old growth according to the definition—and worthwhile environmental value." So we developed up that methodology but then we were advised from Forestry Corporation that it was in the process of re-looking at its ability to supply its wood supply contracts.

That was not only just from native forests and the IFOA but looking potentially at some of the plantations that had been laid down sometime previously. Once that information was made available to us and we had to make some sort of judgement about whether there is likely to still be a shortfall or not, we came to the view that because we were likely to spend a couple of million dollars on this work and take a lot of time and it would be obviously very contentious then we should make sure that there is going to be a shortfall before we undertook the work. That was communicated to the Government and the Government then agreed: "Just put it on pause and wait till we get the results and see whether Forestry Corporation thinks there will be a shortfall or not".

**Mr WILDE:** Just to confirm, Ms Sharpe, the commission will not be changing its report. Our report was prepared for community consultation explaining our proposed methods. So whatever comes out of the Forestry Corporation or any other Government decision-making will not change the contents of our report. That report is independent and it is based upon the methodologies. It is not about what may be happening in future years if those methodologies are accepted.

**The Hon. PENNY SHARPE:** Thank you. That is a good clarification. I appreciate that. In that case, Ms Levy, there is a very contested area in relation to timber supply. Obviously you are getting advice from the Natural Resources Commission, there is also advice from Forestry Corporation and there is obviously within the environmental agency some view around this matter. Are you saying that the agreed facts in relation to timber supply are going to be decided through Government decision-making or that there is not going to be an independent, clear and transparent understanding of how we get to what the actual volume of timber supply is?

**Ms LEVY:** The matter of whether or not there is a shortfall in timber supply is being determined. The Government will take that advice on board as Mr Wilde indicated. The work that NRC has done today is on a methodology to do that mapping.

**The Hon. PENNY SHARPE:** They have just said that. I am asking with you in your role how that is managed in government.

**Ms LEVY:** If it is still indicated that there is a timber supply shortfall and the work is to continue, the environmental groups would absolutely have a role to play in working with the NRC on that old growth mapping work. If that work does not proceed then it is simply a matter of whether or not there is a supply shortage or not.

**The Hon. PENNY SHARPE:** And if there is a timber supply, is it the NRC's view that there should be no change?

**Dr KENIRY:** No change in?

**The Hon. PENNY SHARPE:** In the mapping of old growth forests.

**Dr KENIRY:** Well, the term of reference we have is, within the IFOA, if there is a shortfall then we should look at remapping some old growth. If it is not old growth and it conforms with the methodology, which by then would have been consulted widely, then that is what we would go and do and advise the Government that we think there are some that could be remapped.

But let me just clarify. If the Forestry Corporation, having done their work, come back and say, "We think we can meet our timber supply commitments going forward," then I do not see any purpose in pursuing old growth, because they are telling us—they are the commercial operators, they have got the contracts and they will be saying, "We can meet our contractual obligations so there is no shortfall as far as we are concerned."

**The Hon. PENNY SHARPE:** I look forward to that.

**Dr KENIRY:** And that is what we expect to get sometime around the end of September.

**The Hon. PENNY SHARPE:** Great. I appreciate that. Thank you. Can I just ask you in relation to water extraction and the impact of the drought—I know that this has been highly contentious, but what is your view in relation to the impact of poor water extraction decisions and the drought in New South Wales?

**Dr KENIRY:** Our report basically says in relation to the Barwon-Darling, but this would apply wherever, that we have to protect the low flows. The Water Act is quite clear in prioritising what we should do in terms of water sharing. The environment and species come first; then basic landholder rights which include town water and stock and domestic water; and then comes the consumptive use.

**The Hon. PENNY SHARPE:** But the case remains that there is over-extraction and that is putting a lot of pressure on the system.

**Dr KENIRY:** We needed to have a serious drought to really make it very clear what the problems and deficiencies of the water sharing plan are. If we had not had this drought and had not therefore been able to collect positive evidence about adverse impacts on communities and the river then we would have been in the same case of having to make hypotheses about what might happen if we get continual low flows. So the timing of this review has turned out to be very important because we have been able to collect a lot of evidence of adverse impacts and that has highlighted some deficiencies in the plan that might otherwise not have come to light.

**The Hon. PENNY SHARPE:** I have one more question for Mr Wilde. What is the amount that you have to find for the efficiency dividend this year?

**Mr WILDE:** We are still in conversation with DPI about our budget savings measures and our contribution to that.

**The Hon. PENNY SHARPE:** Will you be able to take it on notice and provide it to the Committee?

**Mr WILDE:** Yes, once it is resolved. But we are still in conversations about that.

**ANSWER:**

I am advised:

Savings from the NSW Government's efficiency dividend are outlined in the Budget Papers, including for the Natural Resources Commission in 2019/20.

**The Hon. PENNY SHARPE:** That is okay. Thank you.

**Mr WILDE:** If I can get back to a question before from Mr Latham about the timing of the peer review, the request for the peer review was on the morning of 15 August. They started work straightaway because we

had lined them up earlier and they finished it on 16 August. So you are correct in relation to that 48-hour time frame.

**The Hon. MARK LATHAM:** Thank you.

**The Hon. PENNY SHARPE:** I want to ask about waste now. Can someone tell me where the waste strategy is up to?

**Ms LEVY:** Of recent times the Minister has written to key stakeholders, and I will ask Dr Tang to provide some additional information on this. It is in development. There is a significant phase of consultation being undertaken now with the Minister having written to several hundred, I believe, stakeholders across New South Wales to provide input to that with the intention of preparing an issues paper before the end of the year for consultation.

**The Hon. PENNY SHARPE:** So there is current consultation and there is going to be an issues paper at the end of the year. The consultation period you would expect for the issues paper will go for how long?

**Dr TANG:** That would really depend on the time at which the issues paper is released. If it is two weeks late at the end of the year, we would take into the account the Christmas and New Year period to ensure that there is an appropriate amount of time for consultation and proper consultation at that time.

**The Hon. PENNY SHARPE:** So probably the finalised waste strategy is about 12 months away, then?

**Dr TANG:** I would not say that. The issues paper is really designed to canvass a broad range of views, so we would need to make sure that there is an appropriate period of time to ensure everyone has the chance to contribute to that. Obviously after that the development of the draft strategy and the final strategy will need to be a decision of government.

**The Hon. PENNY SHARPE:** Yes, sure. How does the review of single-use plastic fit into the waste strategy?

**Ms LEVY:** Certainly the waste strategy will cover all aspects of waste and— **The**

**Hon. PENNY SHARPE:** But the plastic work is a separate piece of work?

**Ms LEVY:** That is right. It is a separate piece of work.

**The Hon. PENNY SHARPE:** Are you able to confirm how much money the Government collected through the waste levy this year? In the most recent financial year, 2018-19?

**Ms LEVY:** I can. I will answer it if I get to it or if Ms Dwyer or Dr Tang get there first, they can tell you. The waste levy revenue for 2018-19 was approximately \$760 million.

**The Hon. PENNY SHARPE:** And how much of that was returned to councils?

**Ms LEVY:** We might have to take that one on notice, Ms Sharpe. We can provide that information to you.

**ANSWER:**

I am advised:

The amount collected through the waste levy is published in budget paper one. The figure include waste levy and coal washery rejects revenue.

About one third of the waste levy is returned to the environment portfolio to fund programs such as Waste Less, Recycle More, which is the largest waste and recycling funding program in Australia, and other environmental programs. The remaining two thirds is retained by the NSW Government as part of the Consolidated Fund.

Waste Less, Recycle More provides funding for business recycling, organics collections, market development, managing problem wastes, new waste infrastructure, local councils and programs to tackle illegal dumping and litter. Councils are eligible to apply for most of the funding available. There is also a range of non-contestable funding, such as the Better Waste and Recycling Fund, designed to support local government

**The Hon. PENNY SHARPE:** All right. I think it is about \$47 million but if you can confirm that, that would be great.

**The Hon. NIALL BLAIR:** Why did you ask then?

**The Hon. PENNY SHARPE:** Because I want to be accurate.

**The Hon. NIALL BLAIR:** Just ignore me and keep going.

**Ms LEVY:** There are a significant number of grant programs across the Waste Less, Recycle More program that councils—there is some uncontested funding that goes to councils. There are a range of programs.

**The Hon. PENNY SHARPE:** Yes, that is right. So I am happy for you to take that on notice. That is fine. Ignore Mr Blair.

**Ms LEVY:** I believe it is significant.

**The Hon. PENNY SHARPE:** He is bored and he is playing up.

**The CHAIR:** He has just given us instructions to ignore him, actually.

**The Hon. NIALL BLAIR:** No, I am just proving that I am listening. I am the only one who has been paying attention.

**Ms LEVY:** We have the answer, Ms Sharpe.

**The Hon. PENNY SHARPE:** Here we go. We can get the answer. That is great. Thank you.

**Ms DWYER:** So local councils have received \$162.8 million, including \$153.51 million in non-contestable funding.

**The Hon. PENNY SHARPE:** In relation to the waste strategy are you considering looking for new landfill sites in New South Wales?

**Ms LEVY:** The waste strategy will be canvassing all aspects, including the infrastructure required to support waste and resource recovery from now and into the next 20 years.

**The Hon. PENNY SHARPE:** Is landfill definitely part of that?

**Ms LEVY:** What we need to deal with waste is absolutely part of it and that would include landfill, yes.

**The Hon. PENNY SHARPE:** Are you able to provide to the Committee the amount of money from the waste levy that went into Consolidated Revenue for 2018-19?

**Ms LEVY:** Two-thirds of the levy funding goes into Consolidated Revenue and one-third goes into the environment portfolio.

**The Hon. PENNY SHARPE:** Has your department modelled a reduction in the waste levy?

**Ms LEVY:** No, we have not modelled a reduction to the best of my knowledge. Have we?

**Mr GIFFORD:** We did undertake some modelling to look at what changes may occur with Queensland introducing its waste levy.

**The Hon. PENNY SHARPE:** This is on the basis of transport of waste—

**Mr GIFFORD:** Correct.

**The Hon. PENNY SHARPE:** Obviously, tens of thousands of trucks making their way up the highway for it to be dumped in Queensland. On what date will its waste levy come in?

**Mr GIFFORD:** 1 July 2019.

**Ms LEVY:** I would just say that review is a regular review of waste environment levy envelope [WELE] forecasting. It looks at a range of factors across the construction industry sector—all things that play into the waste forecast. It is a standard practice for looking at our forecasting of WELE revenues. So it was not a specifically a reduction in WELE, which is why I answered the question as I did. The forecasting looks at all of the factors that come in across the spectrum of waste.

**The Hon. PENNY SHARPE:** Is there a reduction in household recycling? Will those figures show that?

**Ms LEVY:** I will ask Dr Tang to talk to that. The latest figures recorded in the waste and resource recovery report indicate across a range of years there is step change reported in there, which is as a result of a different methodology for ascertaining the waste recorded.

**The Hon. PENNY SHARPE:** It is showing a reduction in household recycling?

**Ms LEVY:** It is certainly showing that across a particular period. Beyond that, once the change in methodology came about, it showed a consistent reporting across those years. We believe that that change was about the reporting system but the years following that consequently showed a steady state for household waste.

**Dr TANG:** If I can elaborate on that. In terms of the latest statistics over the past three years there has actually been a reduction in municipal solid waste generated, and there has been a small decrease in the total waste recycled in terms of household recycling rates as well.

**The Hon. PENNY SHARPE:** My understanding is that Hunter Resource Recovery is jointly owned by Cessnock, Maitland, Singleton and Lake Macquarie councils. They currently truck the bulk of their waste to Victoria for processing. Are you aware of that?

**Mr GIFFORD:** No, I am not.

**The Hon. PENNY SHARPE:** There is currently no glass recycling facility in New South Wales. Is that correct?

**Mr GIFFORD:** There is one facility in western Sydney in New South Wales.

**Ms LEVY:** There are other ways that glass is used through—

**The Hon. PENNY SHARPE:** Glass is used at Lismore, I am aware of that.

**Ms LEVY:** It depends on your definition of "recycling". Some glass is used in road base, which is a form of recycling.

**The Hon. PENNY SHARPE:** Mr Gifford, how is the Environment Protection Authority dealing with the matter of trying to incorporate things like crushed glass into road base? Is it still the case that it is only being trialled and is in a pilot stage?

**Mr GIFFORD:** There are a number of initiatives underway and a number of entities that are looking to undertake new activities with resource recovered materials.

**The Hon. PENNY SHARPE:** But there is no standard in New South Wales that says that road base—

**Ms LEVY:** There are standards. There is no actual barrier to glass being used in road base. I think the pilot you are referring to was the former Roads and Maritime Services reintroducing the use of glass into its particular infrastructure projects.

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

**Ms LEVY:** But there is no barrier for that activity for councils or anybody to use crushed glass.

**The Hon. PENNY SHARPE:** Are you saying it is entirely up to RMS about whether they do that? It has nothing to do with the EPA here.

**Ms LEVY:** No. I am saying they were using glass in their road base. They stopped using it.

**The Hon. PENNY SHARPE:** Yes, quite a few years ago.

**Ms LEVY:** They introduced a pilot to reintroduce it into their particular construction activities but there is no impediment to councils or the RMS from doing that in relation to standards.

**Dr TANG:** Some councils have done it.

**The Hon. PENNY SHARPE:** Yes, I know. Lismore is doing it very successfully. Are you aware that a Central Coast glass recycling facility, Stop Waste, has been seeking to expand its capacity for about two years but there are issues with its application? Are you aware of that facility?

**Ms LEVY:** I am aware of the facility. I would believe that Ms Dwyer and Mr Gifford would also be.



**Ms DWYER:** If there is matter, in terms of that facility seeking to expand, that would be a matter for the Department of Planning, Industry and Environment.

**Mr JUSTIN FIELD:** Mr Gifford, while you are here, as I understand it the most recent forestry snapshot report on the website is 2015-16. Is there a reason more recent ones have not been published?

**Mr GIFFORD:** Those snapshots reports require input from Forestry Corporation NSW and there have been some delays in getting those finalised.

**Mr JUSTIN FIELD:** The delay has been from the Forestry Corporation NSW?

**Mr GIFFORD:** It is just getting the information from them and working through.

**Mr JUSTIN FIELD:** From 2017 onwards?

**Mr GIFFORD:** It was also we needed to consider the changes that have been made through the regulatory reforms that were introduced last year as well.

**Mr JUSTIN FIELD:** It seems they have been busy preparing the log old-growth forests, I guess, it has other things to do. I have a document obtained under a GIPA application titled "Submission to the NSW Environment Protection Agency on the Draft Coastal Integrated Forestry Operations Approval Remake". It is from the New South Wales Office of Environment and Heritage, the Conservation and Regional Delivery Division, North-east Branch. I assume that that branch was asked to make a submission on behalf of the Office of Environment and Heritage, given that it covered the area that was going to be most impacted by the remake of the Coastal Integrated Forestry Operations Approval?

**Ms LEVY:** I was not head of that department at the time. I might have to ask Ms Molloy if she can answer that question. If not, we might have to take it on notice as to whether or not they were specifically asked to provide that input on behalf of the agency or whether it was simply a submission on behalf of the department.

**Mr JUSTIN FIELD:** It would be useful if you could take that on notice. As part of this, and foreshadowing some concerns about how high conservation value old-growth forests might be dealt with as a result of the view, they included a specific section regarding high conservation value old-growth forests. I want to read a couple of elements: "Under the draft coastal IFOA"—of course, the draft did not really change—"biodiversity values of harvest area will be reduced as the area becomes progressively younger." That is in forested areas. It makes the case "for threatened species this places greatest significance on adequately protecting existing high conservation old-growth forests." It goes on "The definition of "old-growth" was carefully negotiated in the RFAs adherence to definitions that include only more pristine forests can reduce the protection of mature forest areas." Later in that paragraph it says, "The loss of older forest on private land makes it even more critical to adequately protect old forests on public land." Is that the position of the OEHL on the biodiversity and conservation elements of your department?

**Ms LEVY:** I have not specifically seen that document. I cannot talk to whether that is the position or not as far as I know.

**Mr JUSTIN FIELD:** Does anyone in your team that can today? This submission was made to the process to develop the Integrated Forestry Operations Approval. It would entirely undermine any arguments that there is a conservation value that can be maintained out of logging old-growth forests or even remapping those forests—correct?

**Ms LEVY:** I think this relates to your question, which I took on notice, as to whether or not it was a position of the department or simply a part of the agency that made a submission. I do not think it would have been a departmental view but I will have to take that part on notice whether it has that status or not.

**Mr WYLDE:** The commission was in receipt of those submissions and that was not from the department, it was from an office of the department.

**Mr JUSTIN FIELD:** Ms Levy, will you confirm what status this is? It would be useful to understand if any directions were given internally as to whether individual departments and branches were empowered to make submissions as they saw it. If they had to clear them through anyone. It would be useful for the Committee to understand what process this document went through before it was provided.

**Ms LEVY:** I would be happy to provide that clarification.

**ANSWER:**

I am advised:

The North East Branch of Conservation and Regional Delivery Division, of the former Office of Environment and Heritage, provided informal advice to Environment Protection Authority on the draft Coastal Integrated Forestry Operations Approval.

**Mr JUSTIN FIELD:** Dr Keniry, I might just come back to you. You mentioned before in response to one of the Labor Opposition questions that if Forestry Corporation could demonstrate that they could meet their contracts as part of the work they are currently undertaking, as a result of the pause of the remapping process, your view is there would be no need for the remapping of old-growth forests. Did I get that correct?

**Dr KENIRY:** Yes. I just see that if Forestry Corporation say they have got enough timber to meet—

**The CHAIR:** Excuse me Dr Keniry, could you please speak into a microphone. Thank you very much.

**Dr KENIRY:** If they take the view that they have got enough timber to meet their wood supply agreements then I cannot see any purpose in looking for shortfalls because there is not one.

**Mr JUSTIN FIELD:** So this has been a contested space. I know there has been correspondence, Mr Wilde, between some of the campaigners and yourself about this. There is real tension. Are we talking about a comparison between their ability to meet their contracts? Or are we talking about a comparison between what they could get under the old IFOAs compared to the new ones? I think it is a very important distinction to make because it goes to how they will be doing their work. It also goes to some of the modelling that currently exists within Forestry Corporation about both their wood supply availability and the yields they have been taking out.

**Mr WILDE:** I am happy to clarify that. The Premier's terms of reference to the Natural Resources Commission was for us to consider the changes from the Coastal IFOA, the Integrated Forestry Operations Approvals rule set, and do those changes have any effect upon wood supply or environmental values. Forest Corp at the moment, as we understand it, are doing a separate task looking into overall wood supply including timber from native plantations, which last year made up approximately 10 per cent of the total supply commitment. Our job is to independently verify from Forest Corp any potential wood supply arising from that Coastal IFOA rule set only.

**Mr JUSTIN FIELD:** So you will be making that distinction and Forestry Corporation, I assume, will provide evidence to you that will enable you to pull that apart and make that distinction?

**Mr WILDE:** Yes.

**Mr JUSTIN FIELD:** Yes. Okay. So I wanted to raise with you, because I have been asking questions of Forestry Corporation this morning and I think there is evidence to suggest that since the buyback from Boral of 50,000 cubic metres of high-quality sawlogs in 2014, despite the reduction in wood supply contract obligations as a result of that buyback—it fell significantly as you know—Forestry Corporation's yield in the years following that has been well above their wood supply contract obligations to the tune of about 30,000 cubic metres a year. So there is a case to be made that they are obviously taking more wood out than their contracts currently provide for. They are finding a market for that, one presumes.

So I think there are real concerns that their expectations, in terms of how their business operates and their ability to sell wood into the market, may well be quite separate from the existing wood supply agreements and other opportunities they find in the market. Will you be able to make a distinction against those sorts of data challenges, about how Forestry Corporation reports on the obligations and their yield from the forests?

**Mr WILDE:** I am not quite sure I understand the meaning of the question. What we will be looking at is what have been pre and post changes to the IFOA and the impacts upon wood supply and making that assessment. What is the impact for market is not part of our job.

**Mr JUSTIN FIELD:** Okay, I understand. I hope so. Thank you very much for clearing that up. I appreciate it. Ms Levy, I might come back to you. Also earlier in the week, David Witherdin from Local Land Services provided some evidence around the development of a large area code or a new process for developing

a new land-clearing code for north-west New South Wales. My question relates to the involvement of your officials in that work. Can you outline what engagement you have had in the development of that large area code?

**Ms LEVY:** To the best of my understanding, there has not been any significant work on the development of, but an intention to commence the work towards the development of. I would anticipate that my agency will be working very closely alongside Local Land Services in the development of a code, providing input and advice to them. Our role would also be to support the Minister for Energy and Environment, who has a concurrence role in approving that code once it is completed. We will be providing advice to the Minister in relation to his role in providing concurrence.

**Mr JUSTIN FIELD:** I understand that a pilot program has already been established. That work is happening on some private land and there is a panel that has been put together to advise on that. Are any officials from your department involved in that process?

**Ms LEVY:** I understand that pilot occurred some time ago and that we did not have any formal or official role in that pilot. I understand it was some years back.

**Mr JUSTIN FIELD:** No. It is being undertaken right now.

**Ms LEVY:** The pilot?

**Mr JUSTIN FIELD:** Yes.

**Ms LEVY:** I understood that the pilot had been undertaken some years ago.

**Mr JUSTIN FIELD:** No. I think they are meeting again later this month.

**Ms LEVY:** I think that is about progressing the new code. In terms of the establishment of a panel, we have not had any input into that.

**Mr JUSTIN FIELD:** Thank you.

**Ms LEVY:** Madam Chair, can I just make a correction to some information that was provided to Ms Sharpe in relation to funding provided to councils? The figures that were provided to you, Ms Sharpe, were not for one year, they were across the Waste Less, Recycle More program for nine years.

**The Hon. PENNY SHARPE:** I thought it sounded a bit high.

**Ms LEVY:** We will take on notice the information about the one-year figure. I wanted to correct that.

**The Hon. PENNY SHARPE:** If you could split that figure into what is the non-contestable and the contestable. That would be really useful.

**Ms LEVY:** We can do that.

**ANSWER:**

I am advised:

The amount collected through the waste levy is published in budget paper one. The figure include waste levy and coal washery rejects revenue.

About one third of the waste levy is returned to the environment portfolio to fund programs such as Waste Less, Recycle More, which is the largest waste and recycling funding program in Australia, and other environmental programs. The remaining two thirds is retained by the NSW Government as part of the Consolidated Fund.

Waste Less, Recycle More provides funding for business recycling, organics collections, market development, managing problem wastes, new waste infrastructure, local councils and programs to tackle illegal dumping and litter. Councils are eligible to apply for most of the funding available. There is also a range of non-contestable funding, such as the Better Waste and Recycling Fund, designed to support local government

**Mr WILDE:** Madam Chair, can I also join in for a clarification?

**The CHAIR:** Why not?

**Mr WILDE:** Previously there was a question about the priorities under the Water Management Act. I just want to clarify that the first priority is for the river and its dependent ecosystems. The second priority is for basic landholder rights, which does not include town water supply. So they are the first two priorities which cannot be prejudiced by the rights of others. After that comes town water supply, and then after that other extractions.

**The CHAIR:** Thank you very much. That is an important clarification.

**The Hon. MARK LATHAM:** Which Act is that in, sorry?

**Mr WILDE:** The Water Management Act, under the water-sharing principles.

**The Hon. MARK LATHAM:** The Water Management Act.

**Mr WILDE:** Section five.

**The CHAIR:** Mr Latham, you wanted to ask one question and I am being very kind.

**The Hon. MARK LATHAM:** I wanted to know why, given the danger to residents and household pets, are snakes in New South Wales protected?

**The CHAIR:** I gave up my question time for that?

**The Hon. MARK LATHAM:** Do we really prosecute anyone who kills these evil creatures that threaten the livelihoods and the existence of people and pets?

**Ms LEVY:** I do not know the answer to that question. I will have to take it on notice.

**ANSWER:**

I am advised:

Please refer to answer given during the course of the hearing, recorded on page 87 of the original, uncorrected transcript.

**The CHAIR:** Excellent. Back to me.

**The Hon. MARK LATHAM:** We have got to protect the pets—way ahead of bloody snakes!

**The CHAIR:** Order! You are aware there was an upper House inquiry into the performance of the New South Wales Environment Protection Authority in 2015.

**The Hon. MARK LATHAM:** Certain creatures we have got to get rid of—snakes.

**The CHAIR:** Order! In that inquiry there was a recommendation that the EPA review—

**The Hon. MARK LATHAM:** Greens.

**The CHAIR:** —its licensing procedure for hazardous chemicals and reconsider appropriate recourse for a licensee failing to maintain concentrations within specified limits. I am just wondering what has happened? What progress has been made in terms—if any—of a review of the Environmentally Hazardous Chemicals Act? Are you aware of anything?

**Ms LEVY:** Mr Beaman looks after hazardous incidents and environmental health. I will ask him to come to the table.

**The CHAIR:** Spread the load around. I am also asking for feedback—sorry, not feedback. I am also wondering where the load-based licensing review that I understand the EPA was undertaking is up to? We will start with the Environmentally Hazardous Chemicals Act. Mr Beaman?

**Mr BEAMAN:** Thank you very much for the question. The work that has been happening in the industrial chemicals space is that there has been ministerial agreement to establishing a national framework for the environmental management of industrial chemicals. That legislation is due to go through the Federal Parliament—so it is a national scheme that is a risk assessment framework. It classifies chemicals in seven categories. It is our understanding that that legislation is to proceed through the Federal Parliament in late 2019. That will set the framework nationally for all the States to regulate industrial chemical use going forward.

**The CHAIR:** Is it your understanding that is going to deal with the issues that were raised in the upper House inquiry into the EPA's performance, which led to that recommendation?

**Mr BEAMAN:** It is my understanding that it will start to address those issues that were raised in the 2015 inquiry. That will bring greater harmonisation across all the jurisdictions across the country.

**The CHAIR:** What is the time frame for that in terms of new legislation?

**Mr BEAMAN:** The Federal legislation is supposed to be 2019 or early 2020. It will depend on the Federal Government's legislative priorities. We just have to wait until the Federal Government gets that through.

**The CHAIR:** Switching to the load-based licensing review, Mr Gifford, where is that up to?

**Mr GIFFORD:** The load-based licensing review continues. We have undertaken a range of activities to determine the nature and the scope and the performance of the load-based licensing scheme. We have looked at similar schemes in other jurisdictions. We have consulted with industry and other stakeholders and we have undertaken analysis of that information. We have been out publicly to get views on the kinds of things that people would be interested in seeing change around the load-based licensing scheme, and we have considered that. It is still actively under review.

**The CHAIR:** As you are well aware, government reviews a lot of legislation every year but I understand that consultation finished on 23 December 2016, which is almost three years. Why has no progress been made on the review since then?

**Mr GIFFORD:** As I said, quite a bit of progress has been made.

**The CHAIR:** Since the end of consultation and the close of submissions—even on your website it says, "EPA considers submissions complete"—there is a lot of other steps to be made in this diagram around the review and they are not completed. Have there been instructions to pause or halt the review process?

**Mr GIFFORD:** The review has continued post that consultation phase. That consultation phase was an initial scoping phase and we have done further work internally and externally to determine whether or not—**The CHAIR:** Have you got a proposal paper yet?

**Mr GIFFORD:** We do not have a proposal paper yet. That is what we are working towards.

**The CHAIR:** That has been going for three years to develop a proposal paper?

**Mr GIFFORD:** The work has been undertaken over that period of time.

**The CHAIR:** Are you satisfied with the amount of time it has taken to undertake this review?

**Mr GIFFORD:** The load-based licensing scheme is a complex scheme and it is one of the only schemes of its type in Australia. It requires quite careful consideration in terms of the settings within the scheme, the scope it applies to, the nature of the pollutants, and the receiving environments. There are a number of scientific assessments that have to be undertaken.

**The CHAIR:** I understand what the scheme is. I am asking about the time line. What target have you set for your team to complete this review?

**Mr GIFFORD:** I anticipate the review will be completed during the course of the next 18 months.

**The CHAIR:** We can expect to have this proposal paper before then, I am assuming, and then a final report on the review by early 2021?

**Mr GIFFORD:** Around that time.

**The CHAIR:** Five years to begin a review and finish it. How is the review going on the Protection of the Environment Operations Act?

**Mr GIFFORD:** There is no current review of the Protection of the Environment Operations Act.

**The CHAIR:** There is no current review?

**Mr GIFFORD:** No.

**The CHAIR:** Is there expected to be one?

**Mr GIFFORD:** No.

**The CHAIR:** That was a recommendation from the upper House inquiry?

**Mr GIFFORD:** Not to my recollection.

**The CHAIR:** Does the EPA still have its Interagency Taskforce on Air Quality in NSW in operation?

**Mr GIFFORD:** No.

**The CHAIR:** Where did that go?

**Mr GIFFORD:** That work was completed when the consideration within government of activities that might form part of the clean air plan went through its natural course and concluded.

**The CHAIR:** Where is the clean air plan up to?

**Mr GIFFORD:** It is under consideration by government.

**The CHAIR:** When was it released by the clean air task force? When did they give the Government the clean air plan to consider?

**Mr GIFFORD:** The clean air task force did not present anything to government. The task force was established to assist the EPA work across government to get a holistic view from all agencies with respect to air quality in New South Wales.

**The CHAIR:** A clean air plan was released in about October 2016?

**Ms LEVY:** August 2016.

**The CHAIR:** Since then, what has happened—anything?

**Mr GIFFORD:** Further work was undertaken but the matter is under consideration.

**The CHAIR:** What is the further work?

**Mr GIFFORD:** The feedback that we had from the Clean Air Summit and proposals that were provided to us by a range of stakeholders were considered and the matter is under consideration by government.

**The CHAIR:** Has this clean air plan proposal been provided to the new Minister? Has the new Minister seen that plan?

**Mr GIFFORD:** Not at this point, no.

**The CHAIR:** It was given to the previous environment Minister?

**Mr GIFFORD:** That is correct.

**The CHAIR:** Has the new environment Minister asked for a plan around clean air from the department?

**Mr GIFFORD:** The Minister has indicated his interest in air quality in New South Wales and ensuring that we have the most efficient and effective policies and strategies and legislation in place to protect air quality. That will all be factored into any further plans for New South Wales.

**The CHAIR:** There was an Interagency Taskforce on Air Quality established in 2016 that came up with a clean air plan. There was a Clean Air Summit in 2017 and the clean air plan was then put forward to the previous environment Minister. We have a new environment Minister who has come forward and is speaking to you about clean air and this clean air plan from just a year or two ago has not been presented to the new Minister as something he might want to look at. Why wouldn't that plan be presented to the Minister to see if he wants to adopt it? What has been the issue with it?

**Ms LEVY:** It will be provided to him in due course. We will take that up with him. Obviously it is a new portfolio. There are a lot of priorities dealing with a number of issues. We will put that to him in due course, subject to the EPA.

**The CHAIR:** There is a commitment to present the clean air plan?

**The Hon. PENNY SHARPE:** He is reviewing all the stuff that Ms Upton did not do.

**The Hon. NIALL BLAIR:** Mr Buttigieg, have another crack. Ask a question about Whacking Day.

**The CHAIR:** Order!

**The Hon. MARK BUTTIGIEG:** Thank you. Just quickly, I want to close the loop on your previous answer to the contestability question I asked. We have a situation where Essential Energy shed some 1,500 jobs over the last four or five years, another mooted 182 and then on top of that another 400. You have your peers Ausgrid and Endeavour in the contestable market and you seem to have made a predetermined position that it is not profitable so we are not going to go there. Yet when I asked you, you said you would now look at it in the context of the ministerial direction to hold the jobs. Can you clarify that contradiction? It does not really gel.

**Mr CLELAND:** To be clear, there was no predetermined position. This is a matter of ongoing review within the business to assess opportunities as we go. However, with the likelihood of receiving this direction, we will continue to assess it in light of the circumstances.

**The Hon. MARK BUTTIGIEG:** The fact that your peers consider that market to be profitable does not influence your thinking on the viability of that contestable market. Ausgrid and Endeavour have very similar networks to Essential Energy.

**Mr CLELAND:** That is a question, Mr Buttigieg, you should put to my peers.

**The CHAIR:** Thank you. We are now breaking until 6.00 p.m. I understand the Chief Scientist & Engineer will be joining us then. The Committee will now hold a short deliberative to determine whether we have finished questioning some witnesses, and they can go and enjoy their Friday night. The secretariat will inform you if particular panels and people are no longer needed after 6.00 p.m.

**(Dinner adjournment)**

**HUGH DURRANT-WYATT, NSW Chief Scientist and Engineer, on former oath**

**The CHAIR:** Welcome back and thank you for joining us, Professor Durrant-Wyatt, for this last session, which I think should go until 6.40 p.m. unless Government members have a burning desire to keep asking questions. We will throw to questions from the Opposition.

**The Hon. ADAM SEARLE:** Professor Durrant-Wyatt, did you contribute to the incoming briefs for the new Government?

**Professor DURRANT-WHYTE:** Yes.

**The Hon. ADAM SEARLE:** Did you provide a brief on the recommendations made by your Office of the Chief Scientist on coal seam gas?

**Professor DURRANT-WHYTE:** No, not in this round.

**The Hon. ADAM SEARLE:** Were you asked to provide any briefings for the incoming industry Minister—I think that is where resources has ended up?

**Professor DURRANT-WHYTE:** Yes, let me just be careful here because my knowledge is limited because I am relatively new in the role, as you are probably aware. We have of order a dozen current projects. We provided briefs on the current projects.

**The Hon. ADAM SEARLE:** Right.

**Professor DURRANT-WHYTE:** Coal seam gas was not one of the current projects, at this time.

**The Hon. ADAM SEARLE:** I do not know if this next question is to you or to Ms Levy: Who is responsible for monitoring the implementation of the recommendations made by the Chief Scientist on coal seam gas?

**Ms LEVY:** I might answer, but as I understand it, there are a range of areas and a number of recommendations that are the responsibility of the EPA to implement, and there are others that are the responsibility of other departments.

**Mr GIFFORD:** Yes, that is correct. There are various agencies across government that have a responsibility for implementing the recommendations. The EPA has led the response to a couple of those recommendations. There are other parts of government, such as Resources and Geoscience, the NSW Resources Regulator and others, that have responsibility as well.

**The Hon. ADAM SEARLE:** Okay, so is the best way to ask you about individual recommendations and you can tell me where they are up to?

**Ms LEVY:** If they sit within our portfolio—

**The Hon. ADAM SEARLE:** If not, where they sit?

**Ms LEVY:** If we know, yes, certainly.

**The Hon. ADAM SEARLE:** Recommendation 10 was for the establishment of a whole-of-environment data repository for all State environmental data, accessible under open data provisions—and there is a lot more to it than that, but that is the headline. I assume that would rest with the DPIE?

**Ms LEVY:** It was a shared responsibility, as I understand it.

**Mr GIFFORD:** Originally that responsibility rested with the Office of Environment and Heritage. The Specialised Equipment Essential for Discharge [SEED] program, which is a data portal, was under development at that time and it was determined that that recommendation could be folded into the delivery of the SEED program.

**The Hon. ADAM SEARLE:** Where is that up to? Has it been fully delivered? My information is that it has not been fully delivered.

**Ms LEVY:** Certainly the SEED portal is publicly available on the website. As to whether it meets all the requirements of the recommendation, I would have to take that on notice.

**ANSWER:**

I am advised:

The Sharing and Enabling Environmental Data (SEED) portal is an initiative of the NSW Government to provide the community with reliable and readily available information about the environment of NSW. The portal has been fully established, as per Recommendation 10 of the NSW Chief Scientist & Engineer's 2014 Independent Review of Coal Seam Gas Activities. It is publicly accessible, and presently provides open access to over 2,500 NSW environmental data sets held by NSW government entities related to water, land, air, vegetation and threatened species. The portal is now in its acquisition phase to grow the NSW environmental data sets accessible to the NSW community.

**The Hon. ADAM SEARLE:** Could you please do that because my understanding is, looking at recommendation 10, it has not been delivered in full. I would like to understand where that is up to and what the process is from here. In relation to recommendation 11, where is the centralised risk management and prediction tool for all extractive industries in New South Wales up to?

**Mr GIFFORD:** I do not know the answer to that. My recollection is that that was one for Resources and Geoscience.

**The Hon. ADAM SEARLE:** Okay. Is there any central agency responsible for coordinating all of this? I would have thought that it would have been DPIE.

**Ms LEVY:** Not as far as I know. I know that we are responsible for certain recommendations. If there is someone coordinating, I am not aware of it.

**The Hon. ADAM SEARLE:** This is not a criticism of anyone in this room, but it does seem to be a pretty disjointed effort in that case.

**Mr GIFFORD:** Those recommendations predate machinery of government changes that have created the department.

**The Hon. ADAM SEARLE:** I understand that. Has the standing Expert Panel or advisory body on CSG been established?

**Mr GIFFORD:** I cannot answer that; I am not aware.

**The Hon. ADAM SEARLE:** Where is the outcome-based target focused regulatory system up to—the three key elements as outlined by the Chief Scientist?



**Ms LEVY:** I do not know about that one.

**Mr GIFFORD:** No.

**The Hon. CATHERINE CUSACK:** Can I just clarify who these questions are being directed to?

**The Hon. ADAM SEARLE:** I am starting with Ms Levy, as the most senior public servant here. And, of course, if anybody else is the appropriate person I am happy to take the answer from them—the usual approach. I am happy for you to take these on notice and at least come back to me and steer me in the right direction.

**Ms LEVY:** We can tell you who the lead agency for all recommendations are.

**The Hon. ADAM SEARLE:** Okay. There was also a recommendation to develop a plan to manage all legacy matters associated with CSG—about capping wells, making sure that they are properly rehabilitated, compliance, data collection, all that type of stuff. Do you have any sense of where that is up to?

**Mr GIFFORD:** I cannot answer the question absolutely, but certainly there are codes in place in New South Wales for well integrity.

**The Hon. ADAM SEARLE:** The Chief Scientist's report, as I understand it, made it pretty clear she felt that was lacking and so she was proposing—she then was Mary O'Kane—something significantly bigger and more rigorous and robust, having read her report a number of times.

**Ms LEVY:** It may be with the NSW Resources Regulator, who is responsible for mining.

**Mr GIFFORD:** Most likely with Resources and Geoscience.

**Ms LEVY:** We will come back to you on who is responsible for that one.

**ANSWER:**

I am advised:

Please refer to my response to supplementary question 57.

**The Hon. ADAM SEARLE:** The Chief Scientist also recommended a comprehensive policy of appropriate insurance and environmental risk coverage. It was in three parts: a system of security deposits in relation to CSG and an environmental rehabilitation fund but also—and this is a very important bit—enhanced insurance coverage. In previous estimates with—I think then it was the Minister for Industry, Resources and Energy—Minister Roberts, I asked him and the agency where that was up to. The information given to me—I think it was in 2016—was essentially that the agencies had no plan to rollout a new system of insurance coverage.

It was asked in the context of the information I had then and still have now, that there is no private sector insurance products that would enable landowners—farmers—to get insurance against risk from CSG activities that might encroach on their property. I then said to the department, "There is a gap in the market. What are you doing about it?" The message was that the 2016 Government had no plans to fill the gap in the market. Can you tell me whether that has changed or whether that remains the position of the Government?

**Ms LEVY:** The lead agency for that broad recommendation was the EPA. I will hand to Mr Gifford to give an update on where we are at across the three elements of that recommendation.

**Mr GIFFORD:** The EPA has been part of a whole-of-government approach to responding to that recommendation. That included the planning department, Treasury and other parts of government. We have looked at each of those elements of that recommendation. There are some things in place already, such as security deposits and a rehabilitation fund can be accessed. The insurance coverage one is a challenging one and Treasury has been looking at whether or not there is potential for stimulating that market because the products are just not available.

**The Hon. ADAM SEARLE:** Correct. In relation to the rehabilitation bonds, that is something that applies to the other extractive industries—coalmining and other forms of mining as well. Is it properly designed to adapt and to meet the needs of CSG extraction? Because my understanding is that the current rehabilitation bonds scheme is not.

**Mr GIFFORD:** The EPA does not manage that scheme.

**The Hon. ADAM SEARLE:** I know you do not, but in this work you would have come across the information about whether or not it was adequate.

**The Hon. CATHERINE CUSACK:** I believe that is a matter for the resources Minister.

**The Hon. ADAM SEARLE:** Except that there is no resources Minister.

**The Hon. NIALL BLAIR:** There is.

**The Hon. ADAM SEARLE:** No, there is an industry Minister.

**The Hon. NIALL BLAIR:** Yes, he is responsible for resources. It is not the title but he is still responsible.

**The Hon. ADAM SEARLE:** Just to be clear, there is no central body in government driving this set of important reform proposals?

**Ms LEVY:** As I said to you, not that I am aware of but I will come back to you if there is a coordination. The work started many years before I was involved.

**The Hon. ADAM SEARLE:** I understand; it has been going on for some time. There is also a recommendation 14, that all CSG industry personnel, including subcontractors, be subject to ongoing mandatory training and certification. Where is the Government up to in designing the training and certification regime?

**Ms LEVY:** That would be a matter for a different portfolio responsibility.

**The Hon. ADAM SEARLE:** Can you take it on notice and come back with a clear indication of which parts of government should answer these different questions?

**Ms LEVY:** We can identify, where we are able, who the lead agencies are for the key recommendations.

**ANSWER:**

I am advised:

Please refer to my response to supplementary question 56.

**The Hon. PENNY SHARPE:** I want to ask some questions about PFAS and Williamstown. I think it was two years ago at an estimates hearing that the then CEO, Barry Buffier, provided information around the issues at Williamstown. Is it the case that there is still contamination leaving the Department of Defence based there?

**Ms LEVY:** I will ask Mr Beaman to address this question. He is leading our PFAS program.

**Mr BEAMAN:** Sorry Ms Sharpe, could I get the question again?

**The Hon. PENNY SHARPE:** It is the case, is it not, that the Department of Defence contamination from PFAS is still leaving the base and heading onto private land and public waterways?

**Mr BEAMAN:** Yes.

**The Hon. PENNY SHARPE:** What action, if any, has the EPA taken to try and get the Department of Defence to clean that up?

**Mr BEAMAN:** I think if you asked Defence, we are pursuing them pretty hard and have been doing so for the last couple of years.

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

**Mr BEAMAN:** I think the actions that we have been taking to push them is to implement some practical measures at the site. What they have done at the site is excavated and removed the contaminated area, which was the old fire training ground. They have removed that material which was providing PFAS chemicals that were leaching into the environment at that point and Defence has also installed four very large water treatment plants, which is treating the groundwater at that site. We keep pushing Defence to be really public, get the actions on the ground and keep the community engaged.

**The Hon. PENNY SHARPE:** But let us be clear, it is still leaving the base.

**Mr BEAMAN:** It is.

**The Hon. PENNY SHARPE:** What is the time frame you think it will be before it stops?

**Mr BEAMAN:** It is going to be really difficult. What Defence released in July, early August, this year was what they call a PFAS management plan for the area and part of the management plan is to have an ongoing monitoring program so we can see the effectiveness of the measures that Defence have put in place so far. With all contamination it is often quite difficult to put a time frame on the movement of contamination, particularly groundwater, because we are in a drought. What is the effect of the drought on groundwater flows? How has that worked? It is difficult to put a time frame on it.

**The Hon. PENNY SHARPE:** Sure. The Department of Defence is being treated differently to if they were a private company that had pollution leaking in this way, is it not?

**Mr BEAMAN:** No, and I think this has been talked about a fair bit. As a Commonwealth entity, we lack the powers to direct Defence. There are clearly constitutional matters.

**The Hon. PENNY SHARPE:** Let us be clear, if it was a private company where there were chemicals off the site in the same way, you would have more power?

**Mr BEAMAN:** Absolutely.

**Ms LEVY:** We would have more power. There was also a submission that the New South Wales Government made to the Federal inquiry last year that put forward all of those issues that we would like to see the Commonwealth Government undertaking at that site. However, we do not have the powers to require that.

**The Hon. PENNY SHARPE:** At this point you are no closer. It appears a loophole has occurred in a particular case on the Central Coast. As a result of the forced council mergers, privately owned land that was previously zoned with a higher level of protection in relation to land clearing, the owner of the land has now cleared it. There has been, as I understand it, investigations from the investigators who used to be in OEH who, wherever they are, now sit with you. Can you confirm that?

**Ms LEVY:** You would have to give me more details about the particular site.

**The Hon. PENNY SHARPE:** I can give you the site. It is environmentally sensitive land and it is at 20 James Norton Road, Bensville.

**Ms LEVY:** I have no information with me about that particular site.

**The Hon. PENNY SHARPE:** There has been correspondence between the shadow Minister and the Minister in relation to this. What appears to be the case is that it is an anomaly. I am not suggesting that anyone has had a malicious intent in relation to this. But it appears as though there is now some very environmentally sensitive land, particularly at this place up on the Central Coast, that has been allowed to be cleared which under any other circumstances would not be allowed to be cleared. It is legal within the Local Land Services Act. I am just wondering what role the officials and departmental officers could have in providing advice to the Government about whether there needs to be a change to the law to deal with this loophole.

**Ms LEVY:** I would have to understand more about the loophole to advise but I am happy to take the question on notice.

**The Hon. PENNY SHARPE:** Could you also inform the Committee whether there are other lands that may be subject to this? As I said, it appears to be something that obviously there is a lot of community concern about on the Central Coast and we are concerned that there might be other land that is captured by this loophole that needs addressing.

**Ms LEVY:** Yes, definitely, we will look into that.

**ANSWER:**

I am advised:

This question is a matter for the Minister for Agriculture and Western New South Wales as native vegetation management on this land is regulated under the *Local Land Services Act 2013*.

**The Hon. PENNY SHARPE:** My question now is to Professor Durrant-Whyte, and thank you for being here late on a Friday night—a particular torture that we are putting you through. Has the Government asked you to provide advice in relation to the raising of the Warragamba Dam wall?

**Professor DURRANT-WHYTE:** Yes, it has.

**The Hon. PENNY SHARPE:** What is the nature of that advice that they have asked you for?

**Professor DURRANT-WHYTE:** Let me be careful here. Our advice is to review the work that has been done on it.

**The Hon. PENNY SHARPE:** The work done by WaterNSW as well as Infrastructure NSW, all of it?

**Professor DURRANT-WHYTE:** I have to be careful here. We in our office are not doing a new project on whether it should rise or not rise or whatever. We are simply reviewing the work that has been done, particularly in climate modelling, by other people that are contributing to that outcome.

**The Hon. PENNY SHARPE:** And who are the other people?

**Professor DURRANT-WHYTE:** I will take that on notice. I do not know.

**ANSWER:**

I am advised:

At the request of Infrastructure NSW, the NSW Chief Scientist & Engineer is coordinating a peer review of climate and flood modelling undertaken by WMAwater. The peer review is being conducted by Professor Jason Evans (University of New South Wales) and Professor Seth Westra (University of Adelaide).

**The Hon. PENNY SHARPE:** That is fine. Has your office been asked to have any input in relation to the review of the National Environmental Protection Measures and proposals to set up new ambient air pollution air standards?

**Professor DURRANT-WHYTE:** No, not that I am aware.

**The Hon. PENNY SHARPE:** And you are not aware that you are going to be asked to do that in the future?

**Professor DURRANT-WHYTE:** No, not at this stage.

**The Hon. NIALL BLAIR:** How can you be not aware that you are going to be asked?

**The Hon. PENNY SHARPE:** He might know it is coming. That is not an unreasonable question.

**The Hon. NIALL BLAIR:** Just the wording of it.

**The CHAIR:** Order! Let us continue.

**The Hon. PENNY SHARPE:** Has the Office of the Chief Scientist been asked to provide any information regarding feral horse management in Kosciuszko National Park?

**Professor DURRANT-WHYTE:** Not to date. However, I have been appointed to the committee that will be looking at it.

**The Hon. PENNY SHARPE:** See? Not unreasonable questions. Has the Office of the NSW Chief Scientist been asked for any advice in relation to PFAS contamination and remediation trials? Mr Beaman might be able to answer this too.

**Professor DURRANT-WHYTE:** The Deputy Chief Scientist, the chair of the various PFAS review committees, of which there have been four to date, there are new terms of reference for the one that is currently being re-established.

**The Hon. PENNY SHARPE:** Are they public? Are you able to share those with us?

**Professor DURRANT-WHYTE:** No because they have not been agreed yet.

**The Hon. PENNY SHARPE:** But there are new terms of reference, and he or she chairs the committee?

**Professor DURRANT-WHYTE:** Chris Armstrong, yes.

**The Hon. PENNY SHARPE:** What is new about what you are being asked to do? Are you able to share that with the Committee? Mr Beaman can probably tell you.

**Professor DURRANT-WHYTE:** They will be providing us the terms of reference.

**Mr BEAMAN:** I think we are in this space where we are getting new information about PFAS all the time, particularly the information around what the long-term impacts might be. There is also an emerging area of science around what are the treatment technologies and what is available out in the market, what is available in the research community and how that can be scaled up to treat these sites that have large areas of contamination. So we use the expert panel to give us advice with the expertise of the Office of the NSW Chief Scientist and Engineer to give us the steer for what are the best approaches going forward to handle some of these difficult PFAS issues.

**The Hon. PENNY SHARPE:** What is the EPA currently doing to support residents off base in relation to the PFAS contamination, particularly Williamstown?

**Mr BEAMAN:** The Government has provided funding for the installation of reticulated water, because that was one of the primary areas that were identified in the human health risk assessments of consumption of PFAS contaminated water. The Government has also provided funding for those people who have not been able to be hooked up to alternative water supplies, and that work is happening.

**The Hon. PENNY SHARPE:** Do you know how many households that—

**Mr BEAMAN:** No. I can take that on notice if that helps.

**The Hon. PENNY SHARPE:** If you could that would be great.

**ANSWER:**

I am advised:

Though not responsible for PFAS contamination on Defence bases, the NSW Government has spent more than \$20 million to address PFAS contamination across NSW. As a result, the NSW Government has undertaken a series of important initiatives to assist communities affected by PFAS contamination, including:

- funding the NSW PFAS Investigation program to assess the prevalence of PFAS across NSW and review Site Investigation Reports, Human Health Risk assessments and Biota (fish) and other studies
- funding reticulated water connections in the Williamstown investigation area, scientific equipment used in assessments and additional mental health services to assist affected residents
- direct engagement with the Williamstown community to deliver practical assistance and information for affected residents since October 2015
- funding the Community Reference Group and the NSW PFAS Expert Panel, chaired by the NSW Chief Scientist and Engineer
- implementing a response consistent with the “polluter pays” principle set out in the PFAS Inter-Governmental Agreement, requiring Defence to take responsibility for the effects of its contamination
- providing funding to the Hunter New England Local Health District to employ a specialist physician and additional mental health services to deal with Williamstown PFAS related health issues
- requesting Defence to conduct additional testing, which resulted in an updated Human Health Risk Assessment with over 4,600 additional data points
- pursuing Defence to implement remediation and ongoing management
- a program of rolling out water tanks to residents who are not yet connected to town water.

The NSW Government has and will also continue to advocate on behalf of residents near Defence bases.

Hunter Water has connected 339 residents to reticulated (tap) water and is in the process of connecting two more residents by the end of September 2019.

**Mr BEAMAN:** We have also provided funding previously to the Department of Health to have capacity there for providing mental health assistance because it is a very challenging issue for that community. I think everyone appreciates the significant impact that the PFAS issues has with that community. And we are maintaining an outreach program so when the events happen, like when Defence released their PFAS management area plan, that we have staff available in that community to answer the community's questions.

**The Hon. PENNY SHARPE:** Are Defence turning up for that too?

**Mr BEAMAN:** They are.

**The Hon. PENNY SHARPE:** One quick last question. My understanding is that one of the issues that has been raised is the scrubbing of drains in relation to dealing with some of the remediation issues. Can you give us an update on when or if any of that is occurring?

**Mr BEAMAN:** Not to my knowledge but I can give a little bit of background on that to the extent, quickly, that it goes along the lines of there is a bit of a dilemma here because people have installed drainage right across that landscape because it is quite low-lying and they want the water to leave their properties and move through the system. The catch-22 is you do not want the PFAS contamination any further. So there has been a sort of discussion that has been going around: Do you leave the drains not free flowing or do you have the drains free flowing? That is a piece of work that we are still working on.

**Mr JUSTIN FIELD:** This question might be for you initially, Ms Levy. Apologies if it has already been asked. What is the status of the survey of feral horses in Kosciusko National Park?

**Ms LEVY:** The fieldwork has been completed. The statistician is now reviewing the outcomes of that fieldwork and preparing a report that will be peer reviewed before being provided to the Government.

**Mr JUSTIN FIELD:** Can you give us an indication of a time line?

**Ms LEVY:** I think we believe we will have the report before the end of this year.

**Mr JUSTIN FIELD:** Will that be made public? I assume that is up to the Minister.

**Ms LEVY:** It is up to the Minister but I have heard him commit to making that public.

**Mr JUSTIN FIELD:** And that will go to the environment Minister? Will it be a decision for him independently?

**Ms LEVY:** The report has been commissioned by National Parks but the Minister for Energy and Environment will be the one making the decision about the release of the information.

**Mr JUSTIN FIELD:** My next questions relate to PFAS as well, but particularly in the Shoalhaven. My first question is for you, Mr Gifford. Why was the EPA not the lead investigatory agency with regard to the 100,000 litres of contaminated PFAS water from Sikorsky's defence operations at HMAS Albatross base?

**Mr GIFFORD:** Because under the Protection of the Environment Operations Act there is a separation of responsibilities between the EPA and local government. The EPA is the lead regulator when there is an environment protection licence in place. That is determined by way of the schedule to the Act about the scale and the nature of the types of activities. That particular activity does not require an environment protection licence so, therefore, local government is the regulator.

**Mr JUSTIN FIELD:** Is there a licence covering the HMAS Albatross base as a whole or are individual activities at the base covered by any EPA licences?

**Mr GIFFORD:** No, because the base is Commonwealth land.

**Mr JUSTIN FIELD:** Okay. So it has taken six months. I believe the investigation is ongoing. Shoalhaven City Council has taken some action—even announced today, I think—to require the company involved to do certain things but, in terms of finalisation, it is still not in place. Have you got any oversight? Are you working with the council to finalise that investigation?

**Mr GIFFORD:** We have been working very closely with the council in supporting them in all of the work they have done. Mr Beamann might be able to add to exactly where it is up to now.

**Mr BEAMAN:** Sorry, I have not seen the latest today but we have been providing the council with assistance and drafting of notices and in the approach to their investigation, so we are in there trying to help them.

**Mr JUSTIN FIELD:** We still have dietary advice warnings in the Shoalhaven River and I think in nearly every creek running into Jervis Bay. **What remediation activities are currently underway with regard to PFAS contamination in the Shoalhaven?**

**Mr BEAMAN:** One of the primary sources there is the HMAS Albatross base. I will have to take that on notice. I cannot recall tonight what the remediation approach is at that site but defence has released for that site—I think, again, in July—the PFAS Management Area Plan. It is the long-term plan for the action for defence

**ANSWER:**

I am advised:

There are no remediation activities currently underway. The Department of Defence has undertaken a comprehensive PFAS investigation at HMAS Albatross and recently released their PFAS Management Area Plan, which contains the Department of Defence's proposed management actions.

**to install at the base to mitigate and prevent PFAS leaving the base. I can take that on notice and come back to you with what the specific details are because that is in their plan.**

**Mr JUSTIN FIELD:** If you could. Of course, we have other defence establishments in the Shoalhaven and there are contamination issues in the Wreck Bay community, which, of course, is not in New South Wales, but the water flowing from there does end up in New South Wales waters. The community that lives there accesses New South Wales services. Many people interact both in New South Wales and the ACT. Have you got any oversight about what is going on with regard to remediation actions in the Commonwealth Territories?

**Mr BEAMAN:** Even though it is not on New South Wales land, we have been providing support both to the ACT Government and the Commonwealth regulator which is the Department of Infrastructure, Regional Development and Cities. We have developed expertise internally about PFAS management issues and how to interpret the data on PFAS, and so we have been providing our colleagues in the ACT with our technical assistance to give them the information and the wherewithal to come up with strategies for that community.

**Mr JUSTIN FIELD:** The community is feeling like they are a bit in the dark down there. Of course, they have been issued much stronger warnings with regard to how they can interact with land and water where they live. Many of the people who live there live part time within New South Wales or they move in and out of the area. Has there been any health support provided—most of them access NSW Health services—like has happened in Williamstown in terms of mental health support?

**Mr BEAMAN:** I understand that they have had support from the Commonwealth. Let me take that on notice and come back to you with some detail. The thing with the PFAS issue and managing the community's exposure to it is around consumption. We know that has been a really challenging issue with the community down there. It is really affecting the community's access to the local resources down there. It is really an area where we have tried to provide advice to the ACT Government so it can get it out there to the community really clearly and in really plain English so the community can reduce their exposure.

**ANSWER:**

I am advised:

The Federal Government Department of Infrastructure, Transport, Cities and Regional Development is responsible for the administration of the Jervis Bay Territory. There is an agreement that the ACT Government provides services to the Jervis Bay Territory community.

**Mr JUSTIN FIELD:** I think it is fair to say that they are not feeling confident down there at the moment.

**Mr BEAMAN:** I can only add to that: If we can, we are more than happy to help out.

**Mr JUSTIN FIELD:** Okay. That would be great. Ms Levy, back to you if I could. In the earlier session I asked questions about the development of this new large area code that Mr Witherdin mentioned in previous budget estimates this week. I did not conclude that line of questioning before. I was hoping you could take on notice about the exact involvement of your officials in both the pilot program that has been operating out there—I think it has been going for some time but I believe it is still underway—and the consultative group that has been established. It would be much appreciated if you could give an indication if any of your officials are in that consultative group and any input that you have had into the pilot or any of the actions that consultative group has taken. Is that possible?

**Ms LEVY:** I can certainly give some of those answers now. In terms of the pilot, the work that was done for the pilot was an assessment of how the code is applied to certain areas in the north-west with large land holdings. We were not involved in that pilot. My understanding is that pilot work was undertaken. I am currently unaware of whether Local Land Services [LLS] is planning to revisit that pilot. Our involvement would be like it has been with many of the other projects that we do with LLS; that we will work very collaboratively with them. Now being part of the same cluster, there is certainly a mandate for us to work very closely with our colleagues. We will provide input and advice through that process and, as I noted earlier, advice to the Minister in his role of providing concurrence. As for the establishment of that community panel, we have not been involved in that to date.

**Mr JUSTIN FIELD:** Thank you. This question relates to the NSW National Parks System Directions Statement. I am not sure if we have the right person here?

**Ms LEVY:** They were released from coming back.



**The CHAIR:** They were released, yes.

**Mr JUSTIN FIELD:** Apologies. You may be able to answer but not in specific detail.

**Ms LEVY:** I will have a go if I know.

**Mr JUSTIN FIELD:** I believe the public consultation closed in December 2017. What is the status of the NSW National Parks System Directions Statement at this point?

**Ms LEVY:** I do not know the answer. We may want to ask Mr Fleming to come back if he is able to answer it.

**The CHAIR:** He is down there. I saw him.

**Mr JUSTIN FIELD:** Apologies.

**The CHAIR:** Apologies, Mr Fleming. I saw you.

**The Hon. NIALL BLAIR:** He had the chance to go.

**Ms LEVY:** He came back to be an observer.

**The CHAIR:** I know. That is extremely eager, so he should be at the table.

**Mr FLEMING:** This will probably be a letdown after all that. I have only been in the job for a few days but I understand that there has been quite a long process of developing that statement. It is on its way to the Minister for consideration but I cannot tell you exactly where it is at.

**Mr JUSTIN FIELD:** Potentially you can take this on notice or the answer could be forthcoming. Obviously, the Minister has made quite a bold statement of support for adding to the reserve network. At this point how are priorities around reservations being made whilst that statement is not prepared?

**Mr FLEMING:** He is aware of the way in which priorities are set for assessing potential additions. He is certainly aware of all of the issues; things like whether there are threatened species, whether there are ecosystems that are not well represented, the value that the community sees in some of these lands. So he is certainly across, and we have discussed, all of those issues in looking at the additions that have been considered and in talking generally about the 200,000-hectare target.

**The CHAIR:** I wanted to ask a couple of questions around coastal erosion, in particular Mission Australia's child care centre at Stockton. Are you aware of that, Ms Levy?

**Ms LEVY:** No, coastal erosion is a matter for the Minister for Local Government.

**The Hon. PENNY SHARPE:** That is new, though, isn't it?

**Ms LEVY:** That is a recent change.

**The CHAIR:** I have asked this question almost every budget estimates and I have been palmed off.

**The Hon. CATHERINE CUSACK:** But they do keep telling you it is Local Government; they have said that to you a few times now.

**Ms LEVY:** The Coastal Management Act is with the Minister for Local Government.

**The CHAIR:** Professor Durrant-Whyte, have you been asked for advice from the Minister for Local Government in relation to sea-level rise and coastal erosion?

**Professor DURRANT-WHYTE:** As I said on Wednesday, there was a report done by my office in 2012. That was the last time that we engaged in this, not in recent years.

**The CHAIR:** Yes, but I did not ask you in terms of Local Government. I think the last time I asked you is—

**Professor DURRANT-WHYTE:** Then the answer is no.

**The CHAIR:** We spoke before about the climate change adaptation fund, which I think is \$295 million. Is that correct?

**Ms LEVY:** The climate resilience program as part of the Climate Change Fund is around \$900 million. If you bear with me, I will tell you.

**The CHAIR:** How much of that is given to communities to cope with coastal erosion?

**Ms LEVY:** The Increasing Resilience to Changing Climate is \$935 million. In relation to coastal risk management, it is \$68.5 million across the program.

**The CHAIR:** Over four years?

**Ms LEVY:** Over four years.

**The CHAIR:** I am aware of the sand replenishment program for Stockton Beach. There is a childcare centre that is essentially having to be demolished. In the past couple of weeks or the past 10 days, I think a further six metres of land in front of the childcare centre has been eroded away. They are now talking about having to demolish it. Apparently, the estimated cost is \$13 million for the sand replenishment program for Stockton Beach. It sounds like there probably needs to be a little bit more funding within that program to deal with coastal erosion. What do you think?

**Ms LEVY:** There is certainly funding available there. My understanding is there are some restrictions around the use for it but that is a matter for the Minister for Local Government. But we administer it.

**The CHAIR:** How much over four years did you say?

**Ms LEVY:** It is over five years, I apologise. It is \$68.5 million. The Coastal Communities Fund [CCF] is five years.

**The CHAIR:** So Stockton Beach would essentially use up that within one year if it needs \$13 million to replenish. It is not enough.

**Ms LEVY:** There are also restrictions on its use, as I understand, in relation to the impacts on private property versus public property.

**The CHAIR:** What are those limits?

**Ms LEVY:** We can take it on notice, but it is a matter for the Minister for Local Government.

**ANSWER:**

I am advised:

This is a matter for the Minister for Local Government.

**The CHAIR:** I have a couple of questions in relation to an oil spill. This is essentially around contaminated lands in relation to petrol stations and the contamination legacy that petrol stations can leave. I will throw it to Mr Gifford or Mr Beamann to begin with. Are you aware of the contamination issue with the Woolworths petrol station at St Marys? Woolworths has no longer got this petrol station but there have been issues around the clean-up of that site and who has to pay for remediation. This is back a few years.

**Mr BEAMAN:** I am not aware of that one, no.

**The Hon. CATHERINE CUSACK:** Every country town has got one.

**The CHAIR:** Yes, but the situation with this was the owners of that land who leased it to Woolworths wanted to get the contamination report from the Environment Protection Authority and the EPA in the end decided to not give it to the owners because of what it would do in terms of commercial in confidence for Woolworths. Is that a usual practice?

**Mr BEAMAN:** We would have made that determination under the Government Information (Public Access) Act [GIPA Act].

**The CHAIR:** So somebody owns land and they need to sell that land and it has been contaminated by a company such as Woolworths, which had a petrol station there. The owners are asking the EPA for the contamination report and the EPA determines not to give the contamination report because it prejudices the commercial interests of Woolworths. Is that a standard practice?

**Mr BEAMAN:** I am not aware of that but to the extent that you are talking about— **The**

**CHAIR:** It has been in the news.

**Mr BEAMAN:** —the report was not released. It would have been assessed under the requirements of the GIPA Act.

**The CHAIR:** That has been in the news but you are not aware of that situation. How long have you been working for the EPA, Mr Beamann?

**Mr BEAMAN:** In this role, just on two years.

**The CHAIR:** Is there anything within your processes or procedures that you need to release contamination reports for owners of land?

**Mr BEAMAN:** No matter what type of report it is, the GIPA Act sets out a whole lot of requirements around the determination on what documents are released and the processes they go through, including appeal processes. I am not trying to be obtuse; I am just saying whoever did that assessment would have done it under the legal requirements of the GIPA Act.

**The CHAIR:** That sounds highly unusual.

**The Hon. CATHERINE CUSACK:** Can I suggest he take it on notice for you, Cate, and get more detail.

**The CHAIR:** Excuse me, Ms Cusack.

**The Hon. CATHERINE CUSACK:** Yes, I am not—sorry, I was trying to help, actually.

**The CHAIR:** I am entitled to ask questions, like every member is.

**The Hon. CATHERINE CUSACK:** Yes.

**The Hon. NIALL BLAIR:** I do not think she is having a go. It is obviously technical and he does not know about it.

**The Hon. CATHERINE CUSACK:** It is just that he is not going to come back if you— **The**

**CHAIR:** I am moving to something else.

**The Hon. CATHERINE CUSACK:** I am quite interested in it too, that is all.

**The CHAIR:** Great. We can talk about it later. Why don't we have a catch-up later, Catherine, and talk about it? I have a question in relation to environment protection licences issued for mining companies to release effluent into rivers. Why do environment protection licences not include a multitude of contaminants, including strontium, barium, lithium and uranium?

**Mr GIFFORD:** The conditions set in environment protection licences depend on the situation where the mine is located, the receiving environment, the nature of the effluent and what treatments or controls are in place. They vary across all licences.

**The CHAIR:** Are there any licences that include those contaminants that I just mentioned?

**Mr GIFFORD:** Quite possibly, but I would have to take on notice which ones. We regulate something in the order of 120-odd mining companies and there are 2,700 licences. Many of them have concentration limits, discharge limits and monitoring requirements for discharges to receiving environments.

**ANSWER:**

I am advised:

Yes, there are environment protection licences that include conditions for strontium, barium, lithium and/or uranium.

**The CHAIR:** Does the EPA introduce flow restrictions during times of drought so that, for example, mining companies that are releasing effluent into waterways during times of low flows have to limit that discharge? Does that occur?

**Mr GIFFORD:** Not necessarily around drought—

**The CHAIR:** Is there a reason why it does not?

**Mr GIFFORD:** —but it could be a consideration. Again, it would depend on the circumstances; it would depend on the nature of effluent.

**The CHAIR:** I have been told that does not happen for mining companies; it happens for wastewater treatment plants. I have been given results of water testing downstream during low-flow periods that would suggest that that water is much more contaminated than it would be during times of high flow and that potentially flexible licences should be encouraged—by "flexible" I mean that discharge during low flows is not allowed.

**Mr GIFFORD:** Again, it depends. It is very hard to answer the question without knowing the specifics of the particular licence that you are referring to.

**The CHAIR:** But in terms of mining licences, the question is whether it is flexible in relation to—

**Mr GIFFORD:** There is no general restriction on mining licences and the flow limits. Licences are site specific and the conditions that are contained in licences are pertinent and relevant to the particular operations and the particular types of discharges.

**The CHAIR:** Are they relevant to drought situations as well?

**Mr GIFFORD:** It could take that into consideration, yes.

**The CHAIR:** We have 30 seconds.

**Ms LEVY:** I have a couple of follow-ups from the earlier session if you want me to provide those to you now. In relation to the question about the Empowering Homes Program and the risk assessment that was provided to Treasury and the Parliamentary Budget Office costings, I am advised that the PBO did cost that as an election commitment process. The initial referral was made to the PBO office on 4 February and Treasury reviewed that as part of our election submission in April and approved it in May. That date may be a date of publishing or some other date that was referred to, but they certainly were fully costed through the PBO. Mr Smith can provide additional information if required.

In relation to the question about the submission made by the North East Conservation and Regional Delivery Branch in relation to the Coastal IFOA, I am advised that it was not asked or instructed by the chief executive of the agency to provide a submission. That was something that it took upon itself to do; it is not representative of a department position in relation to that submission. Finally, in relation to snakes, all native snakes are protected under the Biodiversity Conservation Act and it is an offence to harm them, as it is with all native animals. There is a Biodiversity Conservation Act exemption to prosecution for killing a snake if it poses imminent danger to a person or property.

**The CHAIR:** You need to relay that to Mr Latham somehow.

**Ms LEVY:** We will.

**The CHAIR:** Thank you for your attendance today. The Committee secretariat will be in touch in the near future regarding any questions taken on notice as well as any supplementary questions.

**Ms LEVY:** Thank you very much.

**(The witnesses withdrew.) The**

**Committee proceeded to deliberate.**



**The Honourable Rob Stokes MP**  
Minister for Planning and Public Spaces

Mr James Griffin MP  
Parliamentary Secretary for the Environment  
Shop 2, 2 Wentworth Street  
MANLY NSW 2095

Dear Mr Griffin *James,*

I am writing to outline your responsibilities as a Parliamentary Secretary for the Environment in the Planning, Industry and Environment cluster.

Your role is to provide support as required, including:

- Providing policy and general support to Ministers within the Cluster as agreed with me, on specific projects, for example
  - Work with the Minister for Energy and Environment to finalise marine management reforms;
  - Develop policies and projects with the Minister for Energy and Environment to reduce plastic waste in our marine environment;
  - Partner with the Minister for Energy and Environment and the Minister for Water to improve stormwater capture and re-use;
  - Support the NSW Government in improving our State's circular economy; and
  - Assist the Minister for Energy and Environment to enhance public access and visitation to NSW National Parks across Greater Sydney;
- Attending meetings and functions as my representative;
- Actioning and signing correspondence on my behalf; and
- Supporting the passage of legislation in Parliament relevant to the Cluster.

You are also required to comply with the relevant provisions of the NSW Ministerial Code of Conduct and Lobbyist Code of Conduct at all times.

Procedural guidance about the role of Parliamentary Secretaries in the House is enclosed at **Attachment A** for your reference.

I look forward to working with you as we strive to deliver great opportunities and quality of life for all citizens across NSW no matter where they live or what their circumstances may be.

Yours faithfully,

A handwritten signature in blue ink that reads 'Rob Stokes'.

**Rob Stokes MP**  
Minister for Planning and Public Spaces

CC: The Hon Gladys Berejiklian MP, Premier

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**The Honourable Rob Stokes MP**  
Minister for Planning and Public Spaces

The Hon. Ben Franklin MLC  
Parliamentary Secretary for Energy  
Parliament House, Macquarie Street  
SYDNEY NSW 2000

Dear Mr Franklin *Ben,*

I am writing to outline your responsibilities as a Parliamentary Secretary for Energy in the Planning, Industry and Environment cluster.

Your role is to provide support as required, including:

- Providing policy and general support to Ministers within the Cluster as agreed with me, on specific projects, for example
  - Develop policies and projects with the Minister for Energy and Environment to ensure a reliable, affordable and sustainable energy future for NSW;
  - Work with the Minister for Energy and Environment to develop the three NSW Energy Zones in the Central-West, New England and South-West regions;
  - Assist the Minister for Energy and Environment to make NSW the easiest jurisdiction in the OECD to develop electricity infrastructure; and
  - Support the NSW Government in ensuring the people of NSW capture the long term benefits of emerging energy technologies;
- Attending meetings and functions as my representative;
- Actioning and signing correspondence on my behalf; and
- Supporting the passage of legislation in Parliament relevant to the Cluster.

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I look forward to working with you as we strive to deliver great opportunities and quality of life for all citizens across NSW no matter where they live or what their circumstances may be.

Yours faithfully,

A handwritten signature in blue ink that reads 'Rob Stokes'.

**Rob Stokes MP**  
Minister for Planning and Public Spaces

CC: The Hon Gladys Berejiklian MP, Premier; The Hon Matt Kean MP, Minister for Energy and Environment

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